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NEWS SUMMARY

ULSTER

IRA bid to end shooting rumours

Members of the Official and Provisional wings of the IRA are believed to have met in Belfast to try to quell persistent rumours that the shooting of three Provisional leaders on Friday night had been carried out by Officials.

The shootings brought to the surface the rivalry between the two wings despite the fact that the Army had claimed responsibility.

One of the three men, Patrick Mulvenny, aged 22, was killed, and another, Jim Bryson, aged 25, one of the most wanted men in Northern Ireland, was seriously wounded. **Back Page**

Probe into mini-subs

Something of a boom had developed in the use of commercial submarines, especially in the North Sea, "*and it is obviously* something that the Government is going to have to look at," said Mr. Michael Heseltine, Minister for Aerospace and Shipping.

Earlier, Vickers Oceanics *said* after the rescue of its Pisces III from the bed of the Atlantic: "We have got to find out what went wrong and why."

Des Wilson to stand at Hove

Mr. Des Wilson, former director of Shelter, is to stand for the Liberals at the by-election at Hove, Sussex, caused by the death of the Conservative, Mr. Martin Maddan. Mr. Maddan had a 18,648 majority over Labour at the General Election.
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Italian cholera 'under control'

The Italian cholera situation, which has caused nine deaths in Naples, was under control and could not be called an epidemic, *health authorities insisted.* Tainted shellfish were blamed **Page 5**

Man held after hotel blaze

Copenhagen police are holding a 35-year-old Dane in connection with a fire at an hotel in the centre of the city in which 35 people, mostly foreign tourists, died.

Aircraft lands in London park

Police hunted two youths seen running from a Cessna 150 aircraft after it landed in Brockwell Park, south-east London. Earlier, four youths had been seen near the Cessna before it took off from Biggin Hill, Kent.

Philip in Russia

Prince Philip touched down at Moscow Airport at the controls of an *Andover of the Queen's* flight for the start of his first visit to the Soviet Union.

Wagons roll

Trains began to move across Canada again for the first time for 11 days when most of the 56,000 rail workers on strike obeyed a Government order to return to work.

Tolkien dies

Professor J. R. R. Tolkien, author of The Lord of the Rings, died, aged 81. **Obituary, Page 3**

Briefly

Weekly £25,000 Premium Bond prize was won by the Kent holder of bond No. 4BB 481805.

Birmingham airport was cleared of passengers and staff after a telephone call that a bomb would explode in 30 minutes.

Burghley three-day event was won by Captain Mark Phillips riding Mr. A. E. Hill's horse Maid Marion. Michael Donne, Page 6

Gloucestershire beat Sussex by 40 runs in the Gillette Cup final. Trevor Bailey, Page 3

BUSINESS

Pressure to drop oil anti-trust U.S. case

● **THE U.S.** Federal Trade *Commission has rebuffed an* attempt by the Nixon administration to get it to call off pending anti-trust action against eight major oil companies on the grounds that the case might reduce fuel supplies in the next few years.

Mr. William Simon, chairman of the President's Oil Policy *Committee, wrote to the FTC* suggesting that the action might jeopardise future oil refinery building, a major plank in Mr. Nixon's fuel plans. FTC staff told Mr. Simon bluntly that any discussion of the complaints "could give rise to charges of impropriety or unfairness."
Page 5

● **MEETINGS** to-day will determine the course of two strikes at major Midlands car plants, and discussions will also open to *defuse a potentially damaging* situation at the Ford Motor Dagenham complex.
Page 31

● **STRIKES** cost Britain 4.36m. lost working days in the first seven *months of the year*, according to the Department of Employment. Other statistics released to-day show a slight slowing down in the rise in basic *hourly and weekly wages.*
Page 7

● **BANKING CIRCLES** are considering financing a 1,000-mile, joint-user oil pipeline project serving several North Sea oil fields and linked to export terminals on the Clyde.
Page 7

● **TALKS** on the wage situation *in the West German engineering* industry will resume to-morrow. Both union leaders and employers believe that the wave of unofficial strikes is more or less *over.*
Page 5

Money reform draft plan expected

● **A DRAFT SET** of proposals *for reform of the international* monetary system is expected to emerge from the three days of discussions of the Committee of Twenty deputies which begin in Paris on Wednesday.
Back Page

● **INDUSTRIAL** companies are angry at unexpected increases —ranging up to 30 per cent.— in college fees for off-the-job industrial training courses for young employees.
Page 31

● **EEC COMMISSION** has begun proceedings against several producers of hollow glass for infringing free competition provisions of the *Treaty of Rome. None of* the companies are British.
Page 5

● **EMPLOYEE** councils representing everyone on a company payroll, including senior staff, are advocated in a Conservative research department document published to-day.
Page 31

● **JOB PROSPECTS** for graduates who left university this summer are likely to be *substantially better than last* year, according to a Department of Employment survey. **Page 7**

● **SHAREHOLDERS** in Rowntree Mackintosh "*will not have long* to wait" for full details of the loss the company made in cocoa *speculation*, Mr. Kurt Haslinger, the finance director, said yesterday. He refused to comment on rumours that the figure could top the company's own £20m. *original estimate.*
Page 32

● **BRS PARCELS** is supplementing its "Pacemakers Transits" parcels and small freight service within Britain by a road/air service covering Europe.
Page 4

● **DOWTY GROUP** is in a finan*cial position to meet demands* for further expansion, says Sir George Dowty, the chairman.
Page 32 and Lex

ON OTHER PAGES

TUC meets at Blackpool

Union opposition to pay and prices policy builds up

By JOHN ELLIOTT, LABOUR EDITOR, Blackpool, Sept. 2

Union opposition to the Government's pay and prices policy has continued to build up here this week-end on the eve of the annual Trades Union Congress, with few, if any, union leaders expecting further counter-inflation talks with the Prime Minister to lead to an agreement.

This mood is thought likely to worsen when the Pay Board publishes its report on wage anomalies within the next two weeks.

Pay Board members are meeting to-morrow to consider a draft of the report which may dash the hopes of many groups of workers for special treatment during Phase Three.

The Board is expected to indi*cate that some civil servants* deserve extra money because they lost out as a result of last winter's pay freeze. It is, however, expected to favour few *other groups* apart from public sector workers in hospitals and gas supply.

Special treatment for certain groups, who were hit by the pay *freeze*, is intended to be *one of* the planks of the Government's Phase Three policy.

In addition, *Phase Three* is expected to provide for a basic increase allowable for everyone together with special increments tied to threshhold price rises and *improved productivity.*

An advance warning to Ministers about union attitudes, especially on pay and prices, came to-day from Mr. Jack Jones, *of the* transport workers, who said that the Downing Street talks could "quickly break down unless a more positive response from the Government is forthcoming."

Mr. Jones is lined-up with what is expected to emerge on Wednesday as a majority of unions who want the talks to continue so that *Ministers can hear the TUC* case.

Resolution

He said to-day that a Government refusal to meet union demands could lead to a situation where "it is not us who walk out, but *them.*" The TUC could not continue to take "no" for an answer to its demands.

The transport workers' leader also launched an outright attack on the Pay Board.

He declared he was "incensed by its disgusting attitude" over *lorry drivers' and china clay* workers' pay. Both those groups had had pay rises cut or stopped by the Pay Board—the clay workers only last Friday.

To-day, Mr. Jones sent a *senior* regional official of his union to Cornwall to organise opposition to the Pay Board.

Its orders on wage rises were an "*invitation to industrial dis*location and the reduction of productivity," said Mr. Jones, who has swung his union behind a resolution from Mr. Clive Jenkins' Association of Scientific, Technical and Managerial Staffs, asking unions to boycott the Pay Board's "procedures in every phase of the Government's policies."

This move by Mr. Jones came at the same time as Mr. Jenkins agreed to fall in with the transport workers' wish to simplify *a Common Market resolution so* that the Congress is simply asked to declare its continued opposition to the EEC.

The Left-wing anti-EEC tactic here is that a resolution without any cumbersome detail has a good chance of being approved by the Congress delegates, and could then be interpreted as the TUC being opposed to the EEC in principle.

Then the scene would switch to *next month's Labour Party* conference where the Left will demand that the next General Election should be fought on the basis of total withdrawal from the EEC.

One of the aims among union leaders this week-end has been to try to paper over the cracks

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TUC membership figures Page 31

Oil industry fears 'chain reaction' to Libya move

BY RAY DAFTER

THERE ARE fears in the oil industry that Libya's decision to nationalise 51 per cent. of six major western oil companies at the week-end could set off a chain reaction throughout the Middle East.

Details of the terms for the nationalisation have not yet been disclosed, and, as a result, the oil companies affected are not expected to announce their *response until to-morrow* at the earliest.

In the U.S., whose companies are most affected by Libya's latest move, the Government is *expected to make a formal pro*test as well as provide moral and legal support. The possibility of some form of international sanction against Libyan oil is *also being mentioned in some* U.S. quarters although, at this point, it seems to be little more than a "gut reaction."

Unified front

The companies taken over—Standard *Oil of California* (Socal), Esso, Shell, Mobil, Texaco and Gelsenberg—are adopting a unified approach to these latest developments. They *have refused all along to* acquiesce in Col. Khedaffi's terms for nationalisation, although it was considered virtually inevitable that eventually the takeover would come about following the acceptance by Occidental and other independent companies last month.

Standard Oil described the takeover as "*illegal* confiscation." The Libyan Government had offered a wholly inadequate payment, in no way representing the fair value of the company's properties and interests.

In general, however, the companies are reserving judgment until they have been told officially of the nationalisation terms.

*The fourth summit of non*aligned countries meeting in Algiers this week is expected to discuss the prospects of using Middle East oil as a political *weapon, while to-morrow* the Organisation of Arab Petroleum Exporting Countries (OAPEC) will almost certainly review the implications of Libya's move.

*In a fortnight, the Organisa*tion of Petroleum Exporting Countries (OPEC) will hold an extra-ordinary meeting of oil Ministers in Vienna at which *the Libyan situation is bound to* be raised.

It is assumed in oil circles that the terms for the takeover of the majors are the same as those *agreed by Occidental* and others, if not worse.

These provided for immediate 51 per cent. participation, compensation on the basis of "*net asset value*" and an unprecedented high buy back price of $4.90 a barrel

Of the majors, Shell was always considered the most exposed. It has a sixth share in the Oasis Group, which is responsible for 36 per cent. of the Libyan production. The other members of this group—Continental, Amerada Hess and Marathon—had already accepted 51 per cent. Libyan participation.

The oil companies' fears about a "chain reaction" have been heightened by the attitude of Kuwait. Although it negotiated a participation agreement it was, from its point of view, less favourable than that imposed by Libya. Kuwait has not yet ratified this agreement while *keeping a watching brief on the* Libyan situation. It has also been reported in Beirut that OPEC is preparing a 10-point plan demanding a readjustment *of oil prices.*

Sanctions

Guy de Jonquieres writes from Washington: Although the possibility of some form of international sanction against Libyan *oil is being mentioned in some* quarters it would seem that little serious thought has been given as yet to what form sanctions would take.

It is more likely that the U.S. Government will take action similar to that taken after the nationalisation of the Bunker Hunt holding earlier this summer.

This would mean a stiff protest note to the Libyans and close collaboration on legal action to prevent other consumer Governments from buying Libyan oil from the nationalised fields.

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News Analysis, Page 4

Mortgages: Barber may meet building society leaders

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. ANTHONY BARBER, Chancellor of the Exchequer, is expected to meet building society leaders in the next ten days to discuss the mortgage crisis and the difficulties caused by *rising interest rates.*

Ministers do not rule out Government action to ease the situation, but their main task will be to try to remove the panic atmosphere that has been building up following forecasts of much higher mortgage rates.

Further Government support for the building societies along the lines of the £15m. grant last April has been ruled out by Ministers, but a number of other possibilities will be considered by the Chancellor and his colleagues when he returns to-day from his Yorkshire *holiday.*

He will have immediate talks with his officials and Mr. Patrick *Jenkin, Chief Secretary* to the Treasury, who met Building Societies' Association leaders for exploratory talks last Friday.

An early approach will then be made to the association *so* a meeting can be arranged before September 14 when the association council *is likely* to recommend an increase in mortgage rates to 10½ or 11 per cent.

The Government view remains that current high interest rates reflect those abroad and any unilateral reduction could lead to speculation against sterling.

Ministers' attitudes will therefore continue to be that the building societies must accept high interest rates temporarily and ride out the present difficulties.

The Treasury is known to be considering the request made by Association leaders last week that the Government should invoke Clause 15 of the Bank of England Competition and Credit Control rules. This would curb bank interest rates if competi*tion meant that mortgage finance* was being jeopardised.

In addition, discussions are well advanced for setting up a stabilisation fund which would *provide a more even flow of* mortgages during times of easy or tight credit.

Following the steep rise in house prices and the cost of mortgages, *the Government* recognises that politically the most sensitive issue to be faced is the first-time house buyer who is in danger of being priced out of the market.

If money is to be channelled specifically to meet these needs, it will mean stricter rationing of funds for second homes and for loans of higher amounts.

Mr. Reginald Maudling, a former Chancellor of the Exchequer, echoed the view of many Ministers when he spoke yesterday of the "panic talk" there had been from the societies *about spiralling mortgage rates.*

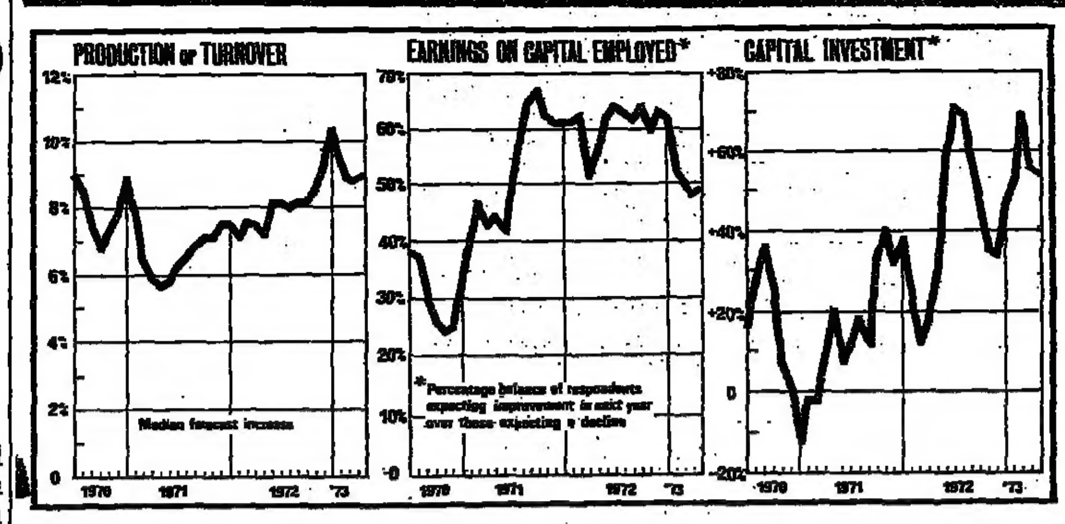
The present high interest levels were caused by the exceptional international situation, Mr. Maudling argued, but in his view, they were bound to fall.

● At Blackpool, Mr. Walter Johnson, Labour MP for Derby South and national treasurer of of Transport Salaried Staffs Association, said building societies should be told that "enough is enough," and that there should be no further rises in rates. Also they should be warned that a full inquiry would *be held before they* were allowed to put up rates again. That would make life much easier for the moderates at the TUC.

It should be done before *Wednesday.*

Property men seek shinier image, Page 31

FT Monthly Survey of Business Opinion



Labour and raw material shortage slows output

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

SHORTAGES OF labour and raw materials are being increasingly cited as factors inhibiting production in the U.K.

This is brought out by the latest Financial Times monthly survey of business opinion, which suggests that the symptoms of overheating in the *economy have become more and* more apparent in recent weeks.

The survey shows that production and orders have continued to expand fast in the last *few months*, and that industrialists still expect buoyant conditions over the next year or so.

The general level of business *confidence however has declined* somewhat, and this may be associated with a sharp increase in the number of companies concerned about the supply of skilled and unskilled labour, and raw materials.

Businessmen continue to forecast sharp increases in capital expenditure, and they are planning to take on more labour if they can obtain it.

However, 30 per cent. of companies surveyed are complaining of shortages of skilled factory staff, and 42 per cent. of difficulties in obtaining raw materials.

The mechanical engineering industry, in particular, is suffering from the symptoms of "overheating," with 91 per cent. of respondents citing shortages of skilled factory staff as a factor affecting production.

There are signs of an expected acceleration in the pace of inflation, but there has been a slight improvement this month in companies' feelings about the *outlook for earnings on capital* employed.

Of the industries surveyed this month, the brewing industry is especially confident of an upturn in earnings on capital. There is also a strong positive balance *among mechanical engineering* companies.

Details, Page 36

EARNINGS ON CAPITAL

4 monthly moving total — August 1973

Those expecting earnings during current year to:	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing & Publishing %
Improve	58	57	57	61	69	100	42
Remain the Same	30	28	29	25	29	—	54
Contract	9	9	7	9	2	—	4
No comment	3	6	7	5	—	—	—

Talks sought on business rents

BY PETER RIDDELL, PROPERTY CORRESPONDENT

LEADERS OF the property industry are seeking a meeting as soon as possible with Mr. Paul Channon, the Minister for Housing and Construction, to *express their concern at the* Government's "complete silence" on its policy for business rents in its Phase Three plans.

The National Association of *Property Owners*, which includes most of the largest quoted property companies among its members, believes the situation has become so critical that it *intends to press the issue* "at the highest possible level of Government."

Mr. Victor Lucas, association chairman, intends to emphasise to Mr. Channon the damaging effects the current standstill and the uncertainty about the *Government's policy are having* on the property industry by forcing companies to postpone major decisions and by making accurate valuation difficult.

Apart *from calling for an early* announcement from the Government, Mr. Lucas will reiterate his association's view that the continuation of business rent control will not contribute to solving the problems of inflation. He believes that a further period of tight control could produce the same shortages and problems in the commercial field as have already been seen in the private rented housing sector.

Pressure for an easing of controls has increased as the end of Phase Two has approached.

To ensure that the new policy avoids some of the anomalies which exist at present Mr. Lucas hopes that the Government will consult his association and use its "knowledge and expertise" to discuss a number of possible approaches.

Property men seek shinier image Page 31

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY

No choice of insurance

Sir,—During the past weeks, there has been a considerable amount of coverage for the building societies in one way and another, mainly concerning interest rates. I would like to pose a question which I feel is relevant to all people who borrow money in this fashion, for the purchase of a house.

The building societies insist that the property be insured through an insurance company appointed by themselves. The actual insurance, I feel, is not unreasonable, as in most cases there is a considerable outlay to protect. The point I would like to make is that the Borrower cannot have any say as to which insurance company his property is insured with.

Bearing in mind that the Societies in all cases to my knowledge, place the business at a rate of 12½p per cent.; I feel it would not be unreasonable for the borrower to be given a choice. My current interest is brought about by some of the insurance companies now offering a highly competitive comprehensive policy at 10p per cent. There is a difference of 25 per cent. on the premium which I feel excessive when taken over a long period of time.

The building societies would no doubt reply that they place the business with the particular company, for security reasons. I cannot, however, agree that in all cases this is a valid point, as many of the Lloyd's syndicates will write this class of business, again, at the lower rate, together with many very reliable insurance companies, some of whom have considerable banking and institutional backing.

I feel it would be interesting to know the full view of the building societies on the points raised, and I am sure that many borrowers if made aware of the facts would also be very concerned.

I appreciate that there would be greater administration in some cases but—after all—the insurance companies do pay considerable commissions to the societies which would adequately cover any slightly increased overheads.

C. W. Fogg,
11, Cleverley Avenue,
Heald Green, Cheadle, Cheshire.

Computers in Europe

Sir,—James Ensor's article on the European computer industry (August 29) provides further evidence for the theory that it is not so much the overall level of expenditure but rather the quality of research and development that is all important in high technology industries.

His estimate of IBM's expenditure on research is surely too low, as 10 per cent. of IBM's last year's sales would provide over £300m. at current exchange rates.

IBM's own assessment of the threat to its dominant position is more convincing than that of the apologists for a European computer company. Such a company is more likely as not to be threatened not only by IBM but also by the other American controlled firms such as Honeywell and Control Data.

Dr. J. O. Jenkins.
Imperial College of Science and Technology,
Department of Management Science.
Exhibition Road, SW7.

Indices of efficiency

Sir,—In case other readers did not realise the full implications of the "Creativity of Incomes from Resources" index queried by Mr. E. G. Wood (August 29) it may be equated to the basic definition of productivity, the ratio of output to input.

The main reason for the existence of any team of people co-operating together in business in order to exchange the product of their talents is their output in terms of money income created and available for distribution between the leaders, the led, the lenders and the legislators none of whom can exist without the other.

In order to be able to create income for distribution the team borrows money saved by the thrifty, input required to obtain resources, which is represented by the total figure at the bottom left hand side of the balance sheet. Thus the ratio of money output to the community (the four L's) in relation to the money input borrowed from the community is the index of "Creativity of Incomes from Resources."

As money is merely the shadow of the practical events that are taking place, unless the CIR increases no one will be any better off as the calculation will only be in bigger figures.

If however it were possible to reduce the number of people involved each could receive a larger share but it will be noted that transferring them to the ranks of the unemployed or other uncreative occupations is of no value to the community.

While it is desirable for any business to achieve the highest possible CIR experience with many companies shows that there is a limit beyond which competition will undercut prices, in turn reducing sales and income available for distribution. As Mr. Wood points out this is the true expression of "value added" required to be understood in every business by everyone involved.

David Hartley.
The Woodlands,
Sundridge Avenue,
Bromley, Kent

Cash flow analysis

Sir,—Professor Lawson has made it clear (August 24) that by cash flow accounting he means the reporting of a summary of *past* cash flows. Useful as this can be, it does not solve the basic problem, namely the weakness of the traditional concept of profit, which is linked to the lack of a clear unifying principle in the assessment of the values of stock, goodwill, research and development, and so on.

Too much weight is, without question, placed by market analysts and others on the present concept of profit, the rules for calculating which owe much to the original practical purpose of assessing, on a rough and ready workable basis, how much could be legally distributed by way of dividend. The difficulty lies in the fact that an assessment more relevant to such purposes as the judgment of past performance requires a realistic appraisal of the present financial position of the company at the end of each accounting period, and this in turn demands a look into the future.

The attractive simplicity of the cash flow concept, as compared with the profit concept, when considered in relation to *past* events, is due to the fact that it ignores the main problem. Only if *future* expected cash flows are brought into the study are the conceptual problems (though not the practical ones) solved.

Harold Edey.
The London School of Economics and Political Science.
Houghton Street, W.C.2.

Horses for courses

Sir,—The equine flavour of the correspondence initiated by Mr. J. P. Coleman (August 17) on the subject of blinkered graduates prompts one to comment that these are often a natural product of the stable in which they are produced. If none of the trainers have travelled the course, let alone ridden it successfully, they are unlikely to produce many winners, and some of their more highly trained offspring will either not find the starting gate or get in the wrong race.

The introduction of integrated sandwich courses has certainly helped to bridge the gap between what industry needs and what the Universities and colleges can provide, but sandwich course graduates represent a very small proportion of the total graduate output.

Professor C. Hanson (August 21) believes that the small number is due to the inability of industry to provide an adequate number of training places. Could it also be due to the limited range of courses available and the small number of Universities that offer them?

Meantime, Government finance continues to flow directly to the academic institutions while industry is expected to pay for the privilege of sponsoring students by paying their tuition fees and contributing to their living costs, as well as providing on the job education and training.

E. W. Rodnight.
Broadway House,
Amersham, Bucks.

Blinkered graduates

Sir,—Mr. Coleman (August 17) overstates a good case presumably against academic university graduates as distinct from vocationally trained polytechnical college graduates.

I see nothing much wrong with the older universities where one can still get the best education in the world either as an academic or as a professional man. If a potential run-of-the-mill artisan is persuaded or chooses to read psychology or Anglo-Saxon literature, this is often the fault of an ambitious sixth-form teacher, proud parent or bad university adviser.

Many such mistakes have been made especially at new universities which were perhaps conceived and built more rapidly than the wisdom and tradition necessary for such places to function properly. In these circumstances, it is quite possible for the partially blind to be leading the totally blind in unfamiliar surroundings! Not an ideal place in which to produce potential brass tack manufacturers.

In the world of spades and brass tacks criticism of university arts graduates is sometimes a form of sour grapes. The critic came up the hard way and is determined that those unfortunate enough to come within his orbit shall suffer accordingly!

The final corrective for too many unsuitable arts, or other, graduates is of course the ultimate economic penalty of temporary unemployment and disillusionment. This is too expensive and too late. Mr. Coleman's remedy I think lies within the polytechnic colleges and possibly the use of sandwich courses.

It could be argued that a well-educated university arts graduate is far less blinkered from the important things in life than, say, most specialist manufacturers, traders or stockbrokers.

Norman Wilson.
Hill House, Llanstephan,
Carmarthenshire.

Post Office accounts

Sir,—Perhaps we should be grateful to Mr. Abbiss of the Post Office Public Relations Department for his bland and soothing words on the subject of the increased postal charges (August 24).

"The hard fact" is that over a short period a reasonable profit has been turned into a substantial loss. The public is being subjected to increased charges on September 10 and the postal authorities are already planning the next increase.

The question of the Pension Fund is being raised in Parliament and no doubt will have a full airing. I would only mention that the increased provision which Mr. Abbiss glosses over so delicately is in the region of 300 per cent. To suggest that a seriously deteriorating situation is being improved by higher productivity is pathetic.

It is time to stand back and look hard and long at the Post Office (and most other public services) and see what is fundamentally wrong with their administration. Why must they continue to show such shocking results despite regular increases in charges out of all proportion to those allowed to profitable business concerns?

Ian W. Sinclair.
Halton House,
20/23, Holborn, E.C.1.

Post Office and capital

Sir,—I refer to the letter sent to you by Mr. R. A. Abbiss, Director of Public Relations of the Post Office. I would be interested to learn whether the Post Office generally advocates the raising of capital by price increase and the transfer of extra income arising from higher productivity to capital account.

It seems to me that other industries might tend to be rather wary of partly meeting their capital requirements by not gleaning marketing advantages from increased productivity and the balance by increasing their prices. Stemming from this it occurs to me that these other industries may find that their final capital requirements are not quite as high as projected.

Finally, I would enquire whether it is considered that when the Post Office has completed the improvement and development of its services leaving it in a position which requires no capital contribution from the consumer, can we then look forward to a corresponding reduction in the prices charged for its various services?

Douglas A. Barker,
177A Chase Side,
Enfield, Middlesex.

No magnesium from the sea

Sir,—Like your correspondent, Mr. N. C. Spare (August 30), I have long been an enthusiast for the theoretical advantages of magnesium, and am aware of all the points he makes. Unlike him, apparently, I am realist enough to recognise that Magnesium Elektron has had two shots at producing magnesium in the U.K., and neither of them succeeded commercially!

T. J. Tarring,
Joint Editor, Metal Bulletin,
46, Wigmore Street, W.1.

Philippines economy

Sir,—I hope that you will permit me a little more space in your newspaper in which to answer Mr. Alfred Johnson's letter of August 20.

The main point of my letter was not "to correct alleged inaccuracies" in the Financial Times's article of July 26, but to place the statistics which underline the economic problems of the average Filipino in perspective, to show that they arose before martial law, and that whatever ones feelings about the administration, martial law was claimed at its inception as a method of dealing with them.

Mr. Johnson's letter underlines the correctness of my first quibble with the details of your article, namely that the rate of inflation is 14 per cent. Even in the worst comparative period that he can find it is still only around 8 per cent. The second point which he makes concerning the inaccuracy of my statement that the mid year period tends to be one of more than usual price inflation fails to take account of changes in the Philippines during the 1961 to 1972 period, which he used to prove his point. During that time the country moved from being a rice surplus area to a rice deficit area, with the resultant effect that inflation patterns changed. If the present rice programme is successful, this pattern will change again.

Michael Adams.
Prince Rupert House,
64 Queen Street, E.C.4.

Shortage of secretaries

Sir,—In all the protracted correspondence in various newspapers and the constant wailing from under-privileged executives on the shortage of secretaries and the resulting inflationary situation of temporary office staff, one obvious solution is seldom, if ever, mentioned.

Isn't it time British executives out-grew the need not only for status symbol secretaries but equally for status symbol "temps" the minute their secretaries disappear for a week or two's holiday?

If a manager is reasonably well organised—and has a secretary who is equally well organised—it should in many cases be quite unnecessary to replace her the minute she leaves the office. Or does it do the manager's image good to appear so over-worked that he cannot do without secretarial help even for a couple of days?

In Germany men learn to type, as well as the basics of office procedure, in the normal course of their management studies. It's considered essential for any potential manager to master these rudiments.

Even without these so-basic skills, surely the British executive might be expected to cope for short periods of time without assistance, in return for which he would be in a position to insist on first-class secretarial skills—the only ones which would survive and flourish in a more competitive atmosphere.

An hour or so a day of executive time could well be spent in handwriting replies to urgent correspondence, handling his own telephone calls with the co-operation of his switchboard, and keeping his own appointments diary. Only urgent typing assignments would then need to be farmed out, and one takes for granted that every efficient manager knows his way around his filing system.

By the application of just the amount of initiative he expects from his secretary, an executive could manage perf until her return. It's term plan, of course, tive secretary obviou great deal more than But surely it's prefe for a few working paying out enormous money for under-sk rated "temps" who ally dictate their ow these inflationary tim

Eve Macpherson,
Editor, Top Secretary
117-123, King St., W.6

Too short term

Sir,—While there i stance in Mr. Goddi Mankelow's criticism 18, directed at the w withdrawal of capita assurance bonds to "income" is advert public, especially, by at the excessively h 10 per cent. per annu help feeling that thei are very much coll short-term view of t even then not by al the investment bond

That "many assu have depreciated by per cent. over th months" is undeniat also a somewhat gli It would certainly for example, of ar bonds and, looking showing the perform 35 managed bonds on one can only see th it applies. Many managed bonds wit formance over the p ones with a high pr vested in the U.K. s These may well a tionately higher g once the Stock Mark and could then very the 23 per cent. required to put th £10,000 bondholder Godding's letter bac growth rate inciden "many" bonds had the previous 12 mo the 12 months end 1972, including managed bond.

The whole matter illustrate the lack o looking with hinds short a term. While ing the danger of ero and the lack of eth tisements—and sales to point this out, I is equally little ings which in the will appear to unnecessarily scar

W. S. Bennett.
2 Porchester Terr

TV/Radio

† Indicates programme in black and white.

BBC 1

12.20 p.m. A Chance to Meet. 1.00 Llwybrau'r Wlad. 1.25 News. 1.30 Andy Pandy. 4.15 Play School. 4.40 Jackanory. 4.55 A Legacy of Lemurs with Johnny Morris. †5.20 The White Horses.
5.45 News.
†6.00 Nationwide.
6.50 Tom and Jerry.
7.00 Dr. Who.
8.00 Panorama Special: Inside the Soviet Union.
8.50 The Breaking of an Arab stallion.
9.00 Nine O'clock News.
9.25 "Games," starring Simone Signoret.
11.00 Mastermind.
11.20 Late Night News.
11.25 Fact and Fiction.

All Regions as BBC-1 except at the following times:—

Wales—†1.30-1.45 p.m. Ar Lin Mam. 6.00-6.50 Wales To-day. 6.50-7.10 Heddiw. 7.10-7.30 Australian Transworld Top Team. 7.30-8.00 Music My Way: Vince Hill. 11.00-11.30 Llenyddiaeth: Literature. †12.02 a.m. News of Wales.

Scotland—6.00-6.50 p.m. Reporting Scotland.

Northern Ireland—6.00-6.50 p.m. Scene Around Six. †12.02 a.m. Northern Ireland News Headlines.

England—6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). †12.02 a.m. Regional News Headlines.

BBC 2

Trade Union Congress—live coverage at times to be announced.
11.00 a.m. Play School.
†5.25 p.m. Open University.
7.30 News Summary.
7.35 Opinion: Is Class Dead?
8.00 The High Chaparral.
8.50 Call My Bluff.
9.25 Show of the Week: The Young Generation Big Top.
10.10 Yesterday's Witness.
10.55 News Extra.

LONDON

9.30 a.m. Village of Children. 9.55 Wildlife Theatre. 10.20 The Name of the Game. 11.30 Galloping Gourmet. 11.55 Cartoon. 12.05 p.m. Rainbow. 12.25 Sing to the Animals. 12.40 First Report: News, FT index. 1.00 Trades Union Congress: Live transmissions and interviews from Blackpool. 1.30 Emmerdale Farm. 2.00 Looks Familiar. 2.30 The Best of "Good Afternoon!" 3.00 Doing Things: Afloat. †3.25 A Family at War. 4.25 Clapperboard. 4.50 Freewheelers. 5.20 . . . And Mother Makes Three.
5.50 News from ITN.
6.00 The Shadoks, followed by To-day.
6.40 Opportunity Knocks!
7.30 Coronation Street.
8.00 Singalongamax.
8.30 Chester: Portrait of a City.
9.00 Hunter's Walk.
10.00 News at Ten.
10.30 Longstreet.
11.30 Make a Break.
12.00 The Evangelists: Allan Hargreaves talks with Evangelist Stephen Olford.

All ITV Regions as London except at the following times:—

ANGLIA

10.05 a.m. The Enchanted House. 10.15 Pretenders. 10.40 Arthur. 11.00 Trade Union Congress. 12.02 p.m. Anglia News. 2.30 Houseparty. 6.00 About Anglia. 10.30 Gardening Diary. †11.00 "The System," starring Oliver Reed. 12.35 a.m. Faith at Work.

ATV MIDLANDS

10.35 a.m. Women To-day. 11.00 The TUC Conference. 12.00 ATV Programme Guide. 6.00 p.m. ATV To-day. 10.30 Citizens' Rights. 11.00 Man in a Suitcase. 12.00 Christians at Large.

BORDER

10.30 a.m. Ed Allen Time. 10.55 Manfred. 11.05 Pretenders. 11.30 Primus. 6.00 p.m. Border News and Lookaround. 6.10 Hobby Horse. 10.30 Journey to the Unknown. 11.30 World Fishing. †12.05 a.m. Border News Summary.

CHANNEL

12.55 p.m. Channel News Headlines. 2.30 Women To-day. 6.00 Channel News. 6.15 Survival. 10.30 Curtain Raiser. 10.35 Danger Man. 11.40 Journey To The Unknown. 12.30 a.m. News and weather in French followed by Channel Gazette.

GRAMPIAN

11.00 a.m. Trades Union Congress. 12.00 Mid-day Round-up. 2.00 p.m. At Your Service. †6.00 Grampian News. 6.05 The Jim MacLeod Show. 10.30 Romantic v. Classic Art (Edgar Degas). 11.00 University Challenge. 11.30 Jason King. 12.25 a.m. Meditation.

GRANADA

10.00 a.m. Hammy Hamster's Adventures on the Riverbank. 10.10 Woobinda. 10.35 Stingray. 11.00 Trades Union Congress. 2.30 p.m. Yoga for Health. 6.00 Northern News followed by What's On. 6.10 OK. 10.30 Appointment With Fear: "Diary of a Madman," starring Vincent Price.

HTV

11.00 a.m. Trades Union Congress. 2.30 p.m. Let Them Live!!! 6.01 Report West. 6.22 Report Wales. 10.30 The Train Now Standing . . . †11.00 Late Night Cinema: "The Stranglers of Bombay" starring Guy Rolfe and Andrew Cruickshank.

SCOTTISH

10.35 a.m. Yoga for Health. 11.00 Trades Union Congress. 4.25 p.m. The Adventures of Superman. 6.00 STV News. 6.05 Cartoon. 6.15 Here's Lucy. 10.30 Late Call. 10.35 Festival Magazine presented by Douglas Rae. 11.20 Upstairs, Downstairs.

SOUTHERN

10.05 a.m. Hammy Hamster's Adventures on the Riverbank. 10.15 Yoga for Health. 10.40 Galloping Gourmet. 11.05 Shirley's World. 11.35 The Shape of Shops to Come. 12.00 Southern News. 2.30 p.m. Houseparty. 6.00 Day By Day. 11.00 Afloat. 11.00 Southern News Extra. 11.05 Startime '73. 11.50 Farm Progress.

TYNE TEES

9.30 a.m. Strong Words. 9.40 Skippy. 10.05 Katie Stewart Cooks. 10.30 Ed Allen Time. 10.55 Manfred. 11.05 Pretenders. 11.35 Primus. 2.30 p.m. North East News Headlines. 2.31 Galloping Gourmet. 4.25 The Osmonds. 6.00 To-day At Six. 6.35 Cartoon Time. 10.30 Access. 11.00 The Streets of San Francisco. 11.55 Late News Extra. 12.10 a.m. Dragnet. 12.40 Lectern.

ULSTER

10.05 a.m. Hammy Hamster's Adventures on the Riverbank. 10.15 Ed Allen Time. 10.40 Romper Room. 11.00 TUC Conference. †1.59 p.m. Ulster News Headlines. 2.30 Farmhouse Kitchen. †4.23 Ulster News Headlines. 6.00 UTV News. 6.10 Me and the Chimp. 6.35 Cartoon Time. 10.30 Monday Night with the Rev. Gerard Clifford, E.I. Ballymacnab, Co. Armagh. 10.40 Monday Movie: "Danger by my Side."

WESTWARD

9.40 a.m. Towards the Year 2000. 10.10 The Saint. 11.00 TUC Conference. 12.23 p.m. Gus Honeybun's Birthdays. 12.30 Westward News Headlines. 2.30 Women To-day. 6.00 Westward Diary. 6.25 Sports Desk. 10.30 Westward Late News. 10.33 Format For Sheptember. 11.15 The Summer of '73. 11.40 Journey to the Unknown. 12.30 a.m. Faith For Life.

YORKSHIRE

9.40 a.m. Make A Wish. 10.05 Katie Stewart Cooks. 10.30 Ed Allen Time. 10.55 Manfred. 11.05 Pretenders. 11.35 Primus. 4.25 p.m. The Osmonds. 6.00 Calendar. 10.30 The Early Days of Emmerdale Farm. 11.25 The Streets of San Francisco.

RADIO 1 247m

(S) Stereophonic broadcast.

Time, traffic, and News summaries at 5.00 a.m., 5.30, 6.00, 6.30, then every hour on the half-hour until 6.30 p.m., 7.00, 8.00, 9.00, 11.00, 12 midnight 1.00 a.m., 2.00. Weather at 5.02 a.m., 5.32, 6.02, 6.32, 7.32, 6.32, 5.32 p.m. 6.32, 2.02 a.m.

5.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker. 2.00 p.m. David Hamilton. 5.00 Radio 1 Club with Dave Lee Travis. 7.00 As Radio 2. 10.00 Sounds of the '70s: Bob Harris (S) also on VHF. 12.00-2.28 a.m. As Radio 2.

RADIO 2 1,500m and VHF

Time, traffic, and News summaries at 5.00 a.m., 5.30, 6.00, 6.30 (VHF and 247m) 7.00, 7.30, 8.00, then every hour on the hour until 5.00 p.m., 5.30, 6.00, 6.30, 7.00, 8.00, 9.00, 10.00 (1,500m) 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.02 a.m., 5.32, 6.02, 6.32 (VHF and 247m) 7.02, 7.32, 8.02, 9.02, 12.15 p.m., 5.32, 6.15, 6.32, 2.02 a.m.

5.00 a.m. News Summary. 5.02 Tom Edwards (S) with The Early Show including 6.15 Pause for Thought. 7.02 Tony Brandon (S) introduces Perry Como this week's Radio 2 star at 8.10, including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.30 p.m. Joe Henderson (S) and music in singalong style including 1.45 and 2.45 Sports Desk. 3.02-5.00 Desmond Lynam (S) including 3.45 Sports Desk. 4.15 Waggoners' Walk and 4.45 Sports Desk. 5.02 Teddy Johnson including 5.45 Sports Desk (S). 6.45 Sports Desk. 7.02 The Navy Lark. 7.30 Sports Desk. 7.32 The Song Stylists. 8.02 Humphrey Lyttelton with The Best of Jazz on records. 9.02 The Big Band Sound (S). 10.02 Late Night Extra 1,500m (202m in Scotland) including 10.15 Sports Desk. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride (S). 2.00 News Summary.

RADIO 3 464m. Stereo & VHF

7.00 a.m. News. 7.05 Overture: Rameau, Stanley, Parry (S). 8.00 News. 8.05 Morning Concert: Beethoven (S). 9.00 News. 9.05 This week's composer: Sibelius (S). 9.40 BBC Midland Light Orchestra (S). 10.25 Norma Burrowes: Strauss, Fauré, Debussy and Poulenc (S). 11.00 Russian Artists at the Belgrade Festival: Schubert, Beethoven (S). 11.55 Midday Concert, part 1: Tippett, Mozart (S). 1.00 p.m. News. 1.05 Midday Concert, part 2: Schumann (S). 1.40 Macclesfield Arts Festival 1972, part 1 (S). 2.35 Vaughan Williams and Housman (talk). 2.50 Macclesfield Festival concert, part 2: Vaughan Williams, Purcell, arr. Britten. 3.35 Budapest Philharmonic Society Orchestra: Bach, Bartok (S). 4.40 Music for Organ (S). 5.15 Bandstand (S). 5.45 Homeward Bound. 6.05 News (medium wave only). 6.10 Homeward Bound (continued) medium wave only. 6.30-7.30 Study on 3 (medium wave only). 7.30 Proms from the Albert Hall: Chamber Music Concert, part 1 (S). 8.30 Cosmology Now. 8.50 Proms concert, part 2 (S). 10.00 Proms '73: recording of this evening's Round House concert which began at 9.15, part 1: Stockhausen (S). 11.05 The Living Poet: Thomas Kinsella. 11.20 Proms concert, part 2: Boulez, Debussy (S). 12.10 a.m. News.

RADIO 4

434m. 330m, 285m and VHF

RADIO 4 MONDAY — — —JE—

6.25 a.m. News. 6.27 Farming Week. 6.45 Prayer for the Day. 6.50-8.45 To-day: Magazine. 6.50 (medium wave only) Travel News, What's On and Keep Fit. 6.55 Weather and Programme news. 7.00 News and more of To-day including 7.25 Sports Desk. 7.35 To-day's Papers. 7.45 Thought for the Day. 7.50 Travel News (medium wave only). 7.55 Weather and programme news. 8.00 News and more of To-day including 8.25 Sports Desk and 8.35 To-day's Papers. 8.45 The Runaways. 9.00 News. 9.05 Start the Week with Richard Baker. 10.00 News. 10.05 Wildlife. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 The Night the Germans Didn't Come. 11.50 Turning Point: Val Doonican (talk). 12.00 News. 12.02 p.m. You and Yours. 12.27 Desert Island Discs. 12.55 Weather and programme news (medium wave only). 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour. 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 4.35 Story Time. 5.00 PM Reports: News magazine. 5.50 Stock Market Report (medium wave only). 5.55 Weather and programme news. 6.00 News. 6.15 Just A Minute. 6.45 The Archers. 7.00 News Desk. 7.30 The Monday Play. 9.15 Glimpses of the Great: Beatrice Forbes Robertson remembers her childhood encounters. 9.29 Weather. 9.30 The World To-night. 10.15 A Book at Bedtime. 10.30 Kaleidoscope. 11.00 Open Marriage. 11.15 News. 11.31 Market Trends.

BL moves into London offices

Financial Times Reporter

BURMAH-CASTROL House, a 146,000 square feet office building in Marylebone Road, London, is to be modernised by British Leyland, which recently acquired the lease from Burmah-Castrol.

BL has already moved into 15,000 square feet of the building, which is to be renamed Leyland House when the group takes over the rest of it later this year.

The contract consists of building works and electrical installations, including re-styling of the entrance hall and provision of a 67-seat cinema for conference and training purposes.

John Spratley and Partners, the architect and consultant, has been appointed to the project, while Bovis will be the contractor. Donald Smith, Seymour and Rooley is the consulting engineer.

Property sale may make £2m.

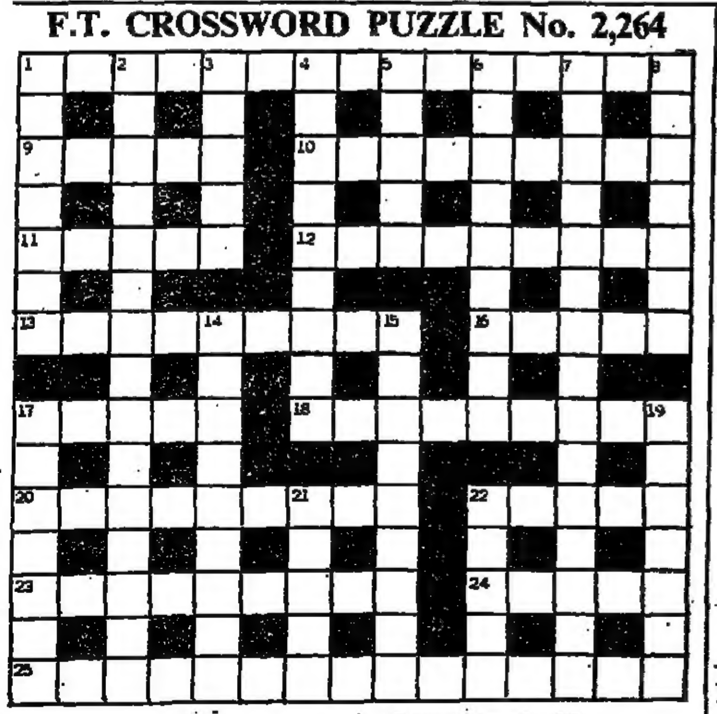
ABOUT £2m. IS expected to be paid for ten commercial and residential properties which Allsop and Co. is to sell by auction this month.

The most valuable lot is likely to be freehold commercial property in London off East Lane, North Wembley. It adjoins premises occupied by British Oxygen and GEC and consists of a modern three-storey factory and a single-storey office building.

Outside London the main item is an old warehouse in Huddersfield with a 914 years unexpired lease. It is in the town and has planning consent for office redevelopment to provide an estimated 35,000 square feet of space.

The auction will be held at the London Auction Mart on Tuesday, September 25.

F.T. CROSSWORD PUZZLE No. 2,264



ACROSS

1 Put to inconvenience—having sent the bailiffs in? (15)
9 The way to help the sober (5)
10 The rigidity of nervous strain (9)
11 Totter when top of ladder is removed (5)
12 Reminder about a residue (9)
13 Bitter made from a sour corn (9)
16 Metallic satire (5)
17 Intended to give me a worker (5)
18 Draw a conclusion when these are put together (3, 3, 3)
20 Train time—time for pupils (6-3)
22 Garment worn over or under a vest (5)
23 What may be pleaded, but is no excuse in law . . . (9)
24 . . . but this is (5)
25 The right to speak—without impediment? (7, 2, 6)

DOWN

1 The despondency of the French couple (7)
2 Being in the running but still a risk (8, 1, 6)
3 Detectives hesitate to make alcoholic liquor (5)
4 Furthest away from becoming more stout (9)
5 I'm up and down about Northern note (5)
6 I'd eat it in order to become an authority on food (9)
7 Walks dangerously after a mild frost (6, 2, 4, 3)
8 Some of oldest Royalists create ruin (7)
14 Spouted out and rained fast (9)
15 Very hard of hearing? (5-4)
17 Mother's pet dog (7)
19 Bird makes East German rich (7)
21 A year in Roman numerals (5)
22 Southern musical instrument is high in pitch (5)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

Racing

Winners for Walwyn

by DARE WIGAN

AT PONTEFRACT this afternoon there is the prospect of a keen contest for the Darley Brewery Handicap (3.45) for three-year-olds, run over 1¼ miles. That is not surprising, seeing that the race carries £2,000 added prize money.

Owenboliska, who has travelled up from Lambourn, Berkshire, and *Kings Comet*, trained not far from the course at Hambleton, are two who are likely to be concerned in the finish.

On his most recent appearance, over to-day's distance at Salisbury on August 15, Owenboliska never appeared likely to catch Sugar Moss and Our Manny, and I do not think that he will concede 1 st. successfully to Kings Comet who has not been out of the first four since winning at Newcastle in June.

In the Junior Plate (2.45), *Dancing Boy*, who hung badly to the right for much of the way when second to Double River at Redcar five weeks ago, may be too fast for *Greentop*, a winner over course and distance from Military Medal at the beginning of July.

Willie Carson, looking almost certain to win his second consecutive jockeys' championship, will be at Warwick where I expect him to ride three winners—*Love Match*, *Track Specialist* and *Carisma*.

Love Match, trained by Peter Walwyn, for whom Carson rarely rides, is set to carry 7 st. 6 lbs. in the Grove Park Nursery Handicap (3.15), but it is likely that Carson will have to put up two or three pounds overweight.

A bay filly by Ribero, who stands at the Queen's stud at Sandringham, Love Match made most of the running when second to Longshot Riley at Brighton in July, and she has since finished only sixth on the same course behind Starboard Belle. I expect her to get the better of *Tamilian*.

Track Specialist has run prominently in all her four races, and has good prospects of winning the Kineton Plate (3.45).

Nine days ago at Windsor she ran on stoutly in the closing stages of a maiden race but failed to cope with Melisma and Brava. She appears to have less to do here and I prefer her to *La Maitresse*, who has shown promise in her only two outings.

Carisma has a stiff task in the Honiley Handicap (4.15), but she is a game filly who will have no difficulty in staying two miles, and she is likely to be too good for stable-companion Levantine, from whom she receives nearly 2 st.

In Division I of the Leamington Spa Maiden Plate (4.45) Carson rides *Agrafa* for Bernard van Cutsem, for whom he rode two winners on Saturday.

This strong colt by Bold Bidder is closely related to Quill, a former champion two-year-old filly in America. He has shown no worthwhile form in three races, however, and I prefer *Scottish Cavalier*. In Division II (5.15) it may pay to take a chance with *Waspish*, who showed promise on her only appearance, at Newbury in May.

At Windsor, the best bet on the programme is probably *Forever Free* in the Newholme Plate (2.30). She shaped well when fifth of 16 behind Royal Track at Kempton in July, and in her only race since got the better of three promising fillies in a blanket finish at Newbury on August 17.

Peter Walwyn and Pat Eddery, her trainer and jockey, may also land the Rays Stakes (5.0) with the improving Tantibes.

PONTEFRACT
2.45—Dancing Boy**
3.45—Kings Comet
4.15—Dear Arthur
4.45—Irish Love
5.15—Cresta Rose

WARWICK
2.15—Skyey
3.15—Love Match*
3.45—Track Specialist
4.15—Carisma
4.45—Scottish Cavalier
5.15—Waspish

WINDSOR
2.30—Forever Free***
3.30—Covent Garden
5.00—Tantibes

Seaspeed to buy 'H warships'

BRITAIN'S latest may be deployed on Wight car ferry run being the first of "Hover-warships" designers intended.

Vosper Thorneycrof its new amphibious as an assault ship car or guided missiles, bu interested of possible so far is Seaspeed, Rail "hover-ferry" di

"Plenty of traffic built up between Harbour and the isl spokesman said. "T craft would be ideal. carry 10 cars and 146 p Next step is to see wha is like as a basis fo tions."

A Vosper Thorneycr man commented: "We have the prototype trials next summer. I the craft as a warship a bit academic, but it is to say until it has bee We are certainly not a sell it for civilian use. if any buyers turned wouldn't turn them aw think it might not prove for commercial service."

BARCLAYS IN BRUSSELS DEA

Barclays Bank Inter which established its office last December, a that SA Intercredit, a su pany based in Brussels, amalgamated into BBI operations in Belgium.

SA Intercredit speciali purchase finance and loans.

Demarco lives

by MARINA VAIZEY

We are lucky in having two capitals: in winter, London: ladies in twin sets and pearls, overcoats and umbrellas, and in summer gracious Edinburgh, showing its fair visitors face, ladies in twin sets and pearls, umbrellas and raincoats. A major difference is that for a good part of the year, Edinburgh has a working, international arts centre—the Demarco Gallery and all its enterprises.

The visual arts in both capitals have long been distinguished by the efforts of a handful of native sons, and a few daughters, fit to take their place on the international stage of the creative visual arts. But what we see outside the realms of official cultural diplomacy, has for long been characterised by an unwillingness to look outside, unless the innovators are safely dead or dying. Of the international on-going scenes we are woefully ignorant: a handful of London galleries select and sift for us, partly by conviction, partly by accident; a few others bring over the well established.

It is left to the most amazing character—the Scot Richard Demarco—a dynamo of chaotic energy who, with all the fizzing, when the dust finally settles nevertheless provides a genuinely enthralling and informative art spectrum. He was the first to bring over en masse a significant group of artists from Dusseldorf, who did their thing in Edinburgh long before any of them surfaced in London: London relied on rumours, while Demarco had the real thing. He's brought over Canadians, Rumanians, Poles . . . sometimes spectators may be forgiven for thinking that with Demarco what counts is in a sense the unseable: the meeting of artists normally separated by thousands of miles and different cultural emphases rather than the sight of an art object hanging on a wall.

He is a one man Documenta, concerned with information and meetings, informed and guided by his own shrewd passion, intuitive insight and contagious enthusiasm that not only glides over the details of mundane though important organisational matters (a lot of his visitors, quarts into pint pots, are resigned to playing musical beds whilst accommodation is sorted out, etc.) but manages to make everything come out all right in the end. This year what counts, I think, is Demarco's Edinburgh Arts 73 programme, flexible, inventive, and filled with necessary improvisation, because visas for some visitors to get out of their country don't come through, and petulance attacks some of the other visitors. The pettiness of human nature is as universal as other qualities; some Austrians staged a walk-out, some young Yugoslavs gossiped with each other incessantly when members of the audience at other artists' events.

Be all that as it may, the fact is that two rather slender art exhibitions are on at the Gallery itself (8 Melville Crescent). The list of French artists is imposing: some of them were at Documenta last summer, two have just been at the Oxford Museum. Christian Boltanski has just been refused official permission for his art-project: isolating a small piece of public ground or wall underneath a piece of glass. Gafgen is represented by photographs of meticulous, immaculate drawings of crumpled, discarded, empty pieces of clothing (a coat on a sofa, for example) and clothcoverings. Jean Le Gac: several statements and photographs in the catalogue itself, teasing us, as Demarco notes, with lucid, expressive, clear prose: when do words on a page become a visual form of expression, when is writing a visual art?

Gasiorowski, with flowing, bumpy swirls of paint on paper is making a kind of Boys' Own version of war as a war game, his models are toys, and yet there resides in this effort a good deal of power. Gerard Titus-Carmel has sent a photographic record of some things—bananas in an art gallery—and immaculate drawings. Etienne Martin has sent his famous *Manteau*, a huge stiff cloak standing on its own, incorporating many different materials. Catalogue (subsidised by Pernod, a firm which has recently supported the arts in Great Britain in an imaginative and helpful way) and the few exhibits, taken together, give an inkling, a hint, of what is significant in France at the moment. It is a modest but important effort, in singular contrast to the fossilised "official" view of fake contrasts presented at the Royal Scottish Academy.

The Austrians are supported by an ample catalogue. The catalogue includes entries about Brus and Nitsch, unrepresented, thank Heaven as far as I am concerned, in the exhibition. Their brutal and violent work is presumably excused because it is a worthwhile paradigm of the violence of the human condition; this observer, saturated by their publications and work at Documenta, regards it as a positively wicked and genuinely immoral manifestation of human horror dressed up as "art," a heartrending self-immolation.

To view there are Arnulf Rainer's "autodemonstration," rather terrifying photographs of "funny faces" which pack a fierce psychological punch. There is a series of magnificent pencil drawings of odd paradoxical happenings in the world of man-made objects meeting nature by Max Peinter: water flows like rope, snow flies off a roof, etc.: beautifully, obsessively detailed drawings which pose curious, echoing questions. There is a great banner by Oberhuber; a room full of sculpture by Gioncoli, peculiarly elegant and abstruse; careful, expansive conceptual pieces, flirting with lines, numbers, vertical and horizontal linear plays, amusing, by Gappmayr, although (like much of this work) the point is soon made, and hardly lingers in the mind; Anton Christian's ritualistic piece which involves a skeleton of a child in an altar-like arrangement (I believe his piece incorporating calf's ears has been held up in customs); elegant, meditative sculpture by Prantl.

The whole thing has been thought up on a grand and ambitious scale, and done on a shoestring. How it works will depend on the personal accidents and meetings that happen in the ebb and flow of people and events. But that for six weeks (July 30-September 9) Demarco has led an heroic attempt to get a genuinely and unself-consciously international living centre of the arts going, related to one place, Edinburgh, and the country of Scotland, cannot be denied.

There is a continual programme too at the Arts Council of films about artists, and artist's films, and lectures about the artists' films by the artist-makers. Demarco, for all the Heath Robinson quality of some of his equipment and the paucity of his financial resources and the hilarious and occasionally agonising slip-ups, has made a living, viable, thrilling arts centre, certainly the only one I have direct experience of, on this scale, in the U.K.

Professor J. R. R. Tolkien

Professor J. R. R. Tolkien, author of the novel *The Lord of the Rings*, died yesterday in Bournemouth. He was 81.

Earlier this year ill health prevented him from travelling to Paris to be presented with France's prize for the best foreign novel—*The Lord of the Rings*, his trilogy about Middle Earth.

The book was published 17 years ago in English, but the French translation had only just been completed.

The professor, who at one time was Professor of English Language and Literature at Oxford University, spent 14 years writing the *Ring* trology.

The Hobbit, another of his fantasy books, was also about the Middle Earth.

The *Ring* trilogy dealt with a fairy-tale world and such creatures as the hobbits, dragons, trolls, walking forests and rings

Salzburg Festival—1

De Temporum fine Comoedia

by RONALD CRICHTON

In his native Bavaria, Carl Orff has won the kind of respect granted here to Tippett or Britten. In England he is ignored or misunderstood. *Carmina burana* goes the rounds of the choral societies, but how many of the singers who roister through it realise it is a scenic cantata meant to be costumed and danced as well as sung? Orff is primarily a musical dramatist. That he is also an expert on the musical education of the young makes him even harder to swallow, the mixture catching on the raw the Philistine part of the English character, where learning is still thought dull and the stage probably immoral. To the literal English mind composers, even in these days when opera is more respectable, should be composers. Writing your own libretto is one thing, but what can one say about a composer writing (as Orff has been known to do) more words than music?

So we see neither his Bavarian dialect pieces *Die Bernauerin* and *Astutuli*, where music is subsidiary, nor at the other end of the scale his settings of *Antigonae* and *Oedipus der Tyrann* in Hölderlin's versions of Sophocles. Orff has never shied away from big themes. The two tragedies were followed by a third, the *Prometheus* of Aeschylus. Now, in his late seventies, he has tackled a still more daunting subject—the end of our civilisation. *De Temporum fine Comoedia*, or *Das Spiel vom Ende der Zeiten*, had its first performance just across the Austrian border, at the Salzburg Festival. Karajan conducted the Cologne Radio Symphony Orchestra and radio choirs from Cologne and RIAS Berlin; August Everding produced, with sets by Günther Schneider-Siemssen and costumes by Andrzej Majewski.

The end of all things is portrayed in three tableaux played without a break. Orff's literary sources are typicaly recondite—the Sibylline Books, the Orphic Hymns, and once again the medieval collection from which he took *Carmina burana*. The text is in ancient Greek, Latin and German. First, nine Sibyls, half Norns, half vultures, are dimly described like Sphinx-heads among the branches of a huge tree, before the foliage disintegrates to reveal the hags keeping vigil on the rim of a tilted circle, surrounded by turning spheres. Raucously (in this scene Orff's weakness for using voices in their least grateful register pays off rather well) they prophesy unending woe, and for the Godless the torture of eternal fire.

De temporum fine Comoedia—Lucifer.

After the nine Sibyls, nine Anchorites, Grünewald figures perched in tree-trunks or hollowed rocks. This is the rocky landscape from Goethe's *Faust* part two, familiar from Mahler's eighth symphony—utterly removed from romanticism Orff's musical language may be, but his subject matter sets up strong Wagnerian and Mahlerian echoes. The hermits flatly contradict the Sibyls—there will be no eternal damnation, no fires, but redemption and an end of guilt—"no one can be against God, except God himself." Though their message is more comforting, the old boys with their spluttering brass and tetchy assurances that the devil is dead, their grey beards endlessly wagging, are rather dismal company.

In the last tableau, *Dies illa*, the producer begins to use the full resources of the enormous stage at the Grosses Festspielhaus. From the sides curving round the wide orchestra pit, there emerge wave after wave of the earth's last inhabitants, clothed in black trousers and Chinese-style tunics (will it come to that and still be no use?). This moment is as impressive as the crowd scenes in Otello on the same stage, but soon *die letzte Menschen* cluster in the centre and toil round and round like the prisoners in Wieland Wagner's *Fidelio*. The misery and perplexity, the repeated cries of "Mach ein Ende!" (the speech chorus powerfully led by Josef Greindl) work up to a remarkable final scene. But first a word about the musical side.

Orff's demands are by no means modest. He uses a hefty contingent of wind and brass, three pianos, three harps, organ, double basses, a quartet of viols, an immense percussion section, and on tape choirs, solo voices, and yet more instruments. In this auditorium the percussion, apparently reduced during rehearsal, did not make a very exotic or exciting effect, but in general the scoring shows Orff's continued mastery of his own special sound. The speech, speech-song and chanting of which the voice parts largely consist are supported by throbbing repeated rhythms and puctuated by *sforzandos* with the cutting power of an expertly handled whip. The trouble is not so much that there is too little music but that the submission of Orff the composer to Orff the dramatist is barely justified when (except for the spoken parts) you only catch about as much of the text as you would in a church service held in Greek or Latin.

The last scene provides something more. The mounting distress of the remains of humanity causes a turmoil on the stage and in the orchestra out of which is born an apparition of Lucifer, partly monstrous flower, partly giant bat, with the features of a demon. "Pater peccavi," he cries, and his mask drops. Once more he confesses his sin, and his eerie garments fall away to reveal a naked angel with flaming hair. Mankind has vanished, and the earth's surface is empty except for a concentrated beam of light (chorus on tape singing God's praise in quiet cluster chords, with solo phrases, also taped, from Peter Schreier and Christa Ludwig). On the beam materialises Leonardo's drawing of the human body in Vitruvian proportions, then a mathematical symbol. From the pit comes the passionless sound of viols playing the chorale "Vor deinen Thron." An even cleaner sweep than the end of *Götterdämmerung*, and equally a glimmer of hope for a better world next time.

Whatever one's feelings about the work, as a spectacle the production is imaginative, ingenious, often strikingly beautiful. For once the use of a gauze curtain (stretching over the whole curved width of the proscenium opening) is appropriate, lending depth and mystery to the stage picture without smudging. Apart from some feebly conventional expressionist choreography, the level of execution is high. Technical problems like the use of tape and various degrees of amplification are adroitly solved. In the orchestra pit, except for some minor jolts of ensemble, Karajan was (as one would expect) firmly in control. Since Salzburg has not done much to encourage a passion for contemporary opera among its patrons, it was a pleasant surprise to find the audience at the second performance large and enthusiastic.

Any lingering suspicion of low musical content was set right in the chamber concert at the Mozarteum the following evening, when the outstanding LaSalle Quartet from Cincinnatti (three of the members German-born) played Webern's Five Pieces op. 5, Schoenberg's fourth quartet, and the third (1924) quartet of Schoenberg's brother-in-law, Alexander von Zemlinsky. This turned out to be a delicate, fanciful work with a finale of a certain stylistic uncertainty, one of the themes hailing from somewhere near the world of Ravel and Vaughan Williams. The Webern pieces were played with a detailed intensity that made them feel anything but small. The Schoenberg was graced with cantabile playing of a quality most quartets reserve for Schubert. The day may be dawning when we realise that the first and second Viennese schools have more in common than we supposed.

The Entertainment Guide is on Page 37

Two and Two Make Sex

by B. A. YOUNG

Terry Moore

Patrick Cargill

Formulae run riot at the Cambridge. The name of Richard Harris and Leslie Darbon's farce is a simple. formula pun. The plot, two couples engaging in mutual infidelity, is a basic formula plot. The action, when there is any (it begins 15 minutes before the final curtain), and the dialogue could have been provided by a computer. Patrick Cargill's performance as George, the elder and richer of the two males involved, is composed entirely of formulae; he jerks from stock farcical pose to stock farcical pose, from stock expression to stock expression, from stock intonation to stock intonation, as if he were demonstrating the art of farce by numbers. If this is what television success does to stylish comedians, let them beware of it.

The bedsitter of the young couple (Nick and Jane, of course) and the drawing-room of the mature couple are shown simultaneously in Hutchinson Scott's set, and the action hops from one to the other, or occupies both together, as the story demands. To tell this in more detail, Jane is having an affair with middle-aged George, and Nick, having been mistaken for George's psychiatrist on evidence that would satisfy no one but a farce-writer, is having one with Clare, George's wife. Jane's father turns up 25 minutes before the end (a shockingly wasteful use of Terence Alexander), and as he is also George's best friend all the characters are brought together at last for a finale full of mistaken identities.

The characters, perhaps more correctly to be spoken of as props, are the familiar figures in English farce who only spring into existence when the curtain rises, and are presumably put back into a basket when the curtain falls. They have no outside lives, and no functions except to inhabit the situations thought up by their creator. For the record, Richard Beckinsale and Barbara Flynn are Nick and Jane, and Jane Downs is Clare, and Diana King is another lady, Ruth, who writes Answers to Correspondents in women's papers.

The writing pays less attention to detail than even an English farce should allow. On his first visit to Jane, George leaves his bowler hat behind; yet a moment later we are assured that putting on his hat as he leaves for work in the morning is a positive ritual. When the time comes for him to explain the absence of his hat, he makes a tremendous thing about having left it in the car, which is standing just off-stage, when he could perfectly well have claimed to have left it in his office. "His hat seems to be on his mind," says Clare, or perhaps Ruth. "Not on his head," agrees Ruth, or Clare. This is a fair sample of dialogue, by the way. Later poor Mr. Beckinsale has to say, reading from a cookery book, "Toad in the hole. First catch toad. Then put in hole."

A gentleman in Row D went to sleep after the first five minutes and snored gently throughout the whole of the first act. Oh, I have suffered with those that I saw suffer. . . .

Coliseum

La traviata

by RONALD CRICHTON

The Sadler's Wells opera *La traviata* in the new production by John Copley, highly praised when first seen last March, is back at the Coliseum. There is a new Violetta (new to London, at least, though clearly at home with the role) in Anne Evans. A less individual singer than Josephine Barstow who preceded her, but a very accomplished one. Once or twice on Saturday, the tone went hard at the top, in a way that did not seem wrong in the hectic cabaletta to the first act aria (the same was true of the sharp intakes of breath). She graded Violetta's cry in the second act with skill; the rising phrases in the gambling ensemble were round and liquid. In "Dite alla giovane" and in "Addio, del passato" the quiet legato carried effortlessly. In appearance Miss Evans was uncommonly like the portrait of Marie Duplessis, the real lady of the camellias.

This Violetta is worthily partnered by the Alfredo of John Brecknock. His phrasing and his words are so good, his air of helpless adoration flaring up at the worst possible moment into southern pride and temper are so right that one can overlook the un-Italinate, indomitably Anglo-Saxon vocal colour. Geoffrey Chard as Germont senior did all a good actor can do to make Alfredo's father convincing, but in this role no amount of physical distinction makes up for the right kind of baritone sound and a smooth line. Norman Welsby's glacial Baron Duphol adds another success to his growing list. As Gaston the Parisian sprig who introduces Alfredo to Violetta, Graeme Matheson Bruce made his mark.

For a producer who has occasionally been thought to err in the direction of fussiness, Mr. Copley's *Traviata* is admirably smooth, taut, economical. One can hardly imagine the two scenes of the second act better done. Possibly in reaction from the corresponding set in the Covent Garden production, the room in Violetta's country retreat shows too little of the garden we are assured is outside. Otherwise David Walker's designs faithfully capture the heavy horror of Second Empire luxury. The opera was conducted in first-rate style by Charles Mackerras, always in control, never obstruding himself. Strongly recommended.

SPORT: CRICKET

Beyond Gloucester's triumph, a warning for the game

BY TREVOR BAILEY

Gloucestershire won their first Gillette Cup Final on Saturday by beating Sussex by 40 runs at Lords before a capacity crowd, which was enthusiastic, yet comparatively subdued. The victory was even more complete than a casual glance at the scores might suggest.

It was thoroughly deserved, because they bowled rather better, ran with greater speed, judgment and purpose between the wickets and Proctor played an inning of rare quality, at exactly the right moment, splendidly supported by his captain in the later stages.

Sussex were superior only in fielding and, not surprisingly Griffith was better behind the stumps than his promising young counterpart. In contrast the Gloucestershire fielding, with the notable exception of Foat, looked comparatively old-fashioned. Their keenness could not disguise the shortage of quick movers.

Gloucestershire won the toss on the beautiful wicket which the West Indian batsmen had found so much to their pace. Their start was so bad that there were visions of a quick, overwhelming Sussex triumph.

Masterly

Snow, looking a true international fast bowler, removed stop-gap opener Knight. Then their gentle, medium paced, left arm swinger Buss not only sent down three successive maidens but dismissed both Sadiq and Zaheer. At 27 for 3 Gloucestershire were in desperate trouble with everything virtually depending on Procter.

His response to the situation was masterly. He hit the nagging Buss out of the firing line with two effortless sixes and by lunch his team was satisfactorily placed with 105 runs on the board, of which he had 56, and six wickets in hand.

In the afternoon Gloucestershire consolidated. Then after the departure of Procter for 94—who surely would have had the century he deserved if he had received more of the bowling—a final assault was led by Brown, which took the total to 248, a target which was so beyond the capabilities of Sussex that I made the odds 10 to 1 against.

All credit to Procter and Brown, but they were materially assisted by some untidy bowling by Spencer and Greig, especially the former, who in one painful over served up no fewer than three full tosses, a half volley, and a delivery of full length just wide of the off stump which cried out for a hearty swing and disappeared into the crowd.

Sussex set about the formidable task of amassing 249 runs in 60 overs methodically, but without ever establishing the tempo which suggested that they would accomplish it. In particular they could not really afford to let Mortimer and Brown send down 24 overs between them for only 65 runs, because Proctor in the gloom and with a well-placed defensive field posed problems which nobody appeared capable of solving.

Even when the score stood at 153 for 2 off 43 overs they never promised more than to narrow the gap. Greenidge, Prideaux—in his last appearance for his county — and Graves all batted well, but not quite well enough.

Aided by some suicidal running between the wickets, which with more care from the fielding side would have been even more disastrous, Gloucester steadily worked their way through the Sussex team. For the last 45 minutes the main interest was not whether the unobtainable would be reached but merely how close they would go.

Although Alec Bedser nominated Brown as his man of the match, the game was decided by Procter, who batted superbly (it is difficult to think of any Englishman currently capable of producing an innings of that quality) and, when concentrating on containment, was by far the most difficult bowler to score off.

It is not without significance that last season's Gillette Final was virtually won by Lloyd and that Asif was the chief figure in this summer's Benson and Hedges Final, while the Sussex top scorer came from the West Indies.

Dominating

Overseas cricketers are dominating the domestic game to an extent which is unhealthy, and our administrators must accept some of the blame for taking so long to recognise this fact.

Congratulations to Hampshire for carrying off the County Championships. Thanks to exceptional fielding and close catching they won several matches on good pitches with an attack which was far from devastating. The one slightly sad note about this triumph is that their opening pair who contributed so much were the South African, Richards, and the West Indian, Greenidge, who should be undertaking this role for his own country in the near future.

SOCCER

Many imponderables in the race for the Championship

THE OVERLONG marathon for the First Division title, which will probably be finally decided some evening early next summer has started, and only the brave, or very biased, could attempt to predict the outcome with any real confidence writes Trevor Bailey.

There are so many different, and unforeseeable factors liable to affect the result. The most damaging and imponderable is a large injury list.

Although it has often been said that a team is as strong as its reserves, no side could have been really successful, if they had experienced the number of injuries that beset Chelsea last winter.

Involvement

There are, in fact, insufficient class performers around to meet the requirements of all the First Division teams, so that any club who can keep a player of this calibre in the reserves is indeed fortunate. He would understandably want regular first team football, and a move if it is not forthcoming.

Another cause for failure can be over involvement in other competitions. A few years ago Leeds United found themselves chasing the European, and the FA Cups, as well as the League Championship. In spite of being the most accomplished team in the country, their pursuit of the elusive treble proved too much, and—rather sadly—they finished with nothing.

The chief requisite needed to carry off the toughest competition in the football world is consistency in conditions that vary enormously. Brilliance will help, but is not enough on its own.

What really counts is the ability to pick up points on those occasions when the side has failed to click. This is when a sound defence becomes so essential. Although a 0—0 draw may not provide as much entertainment as a 4—3 defeat, it does produce a valuable point.

Winning the Championship is a taxing assignment, as is shown by the fact that no club has achieved this feat in successive years since the late 1950s. This is one reason why I do not fancy Liverpool to retain the title, although I shall be surprised if they slip below fourth in the table.

The First Division this year has been made more interesting by the arrival of two teams from the Second who have more to offer than effort and determination.

All too often newcomers, having been carried to promotion on waves of hustle and bustle, lack the basic skill and finesse needed to survive in the premier league, but this does not apply either to Burnley or Queen's Park Rangers.

The Northerners are probably the most cultured club to leave the Second Division since Derby County, and I think they will flourish in the more rarefied atmosphere, probably finishing in the first ten.

The Londoners are more difficult to assess. Possibly I was lucky that on the three occasions I saw them in action last winter, including the Burnley match, they were always fun to watch. They possesed flair and imagination and were not solely concerned with denial and breakaways.

Strengthened

Their back four, however, which has been strengthened by the admirable McLintock, did look distinctly vulnerable, and probably their main concern will be to avoid the fate that occurred to them the last time they joined the elite.

Three teams I would pick to finish near the top are the ultra-professional Leeds, who have begun so brilliantly, the efficient, clinical and slightly soulless Arsenal, and Derby, who need one, perhaps two, additional class footballers to become the most exhilarating side in the land.

Everyone who loves the game must have a soft spot for West Ham, as they are almost invariably entertaining and, at their best, are capable of beating anybody. Their Cup record, though, is depressing and they have an uncanny knack of conceding goals, as they demonstrated only last week in a delightful 3-3 draw with Ipswich.

The East Anglians were the most improved side in the First Division last winter, and yet I feel they are more likely to win one of the two Cups than the League itself.

Aspirations

There were indications that Coventry were developing into something better than just another First Division team, and 1974 could well prove to be the year they fulfil their promise. It is certainly time that the Midlands asserted themselves, and Wolverhampton also have serious aspirations.

Manchester United, having escaped relegation, are hoping for a revival, while City, who plainly possess the talent, seem to have become too complacent and to lack the inspiration which made them so formidable a few years back. I hope they rediscover their touch because in the mood they are a most attractive and effective team.

RUGBY

England let it slip

BY DAI HAYWARD

NEW ZEALAND, Sept. 2.

AN ENGLAND attack which started with much promise and pace slowed, floundered and finally died in mud at Rugby Park, New Plymouth, yesterday. Taranaki's pack, revelling in heavy mud and rain held England out to allow full-back Johnston to kick two penalties against Rossborough's one to inflict defeat in this opening match of the short New Zealand tour.

England were not disgraced, though, and kept trying right to the end. With only 45 seconds to go, in fact, they mounted an attack which looked like succeeding until Evans dropped the ball at the vital moment. They lost because they missed too many opportunities.

In spite of the conditions, both teams produced some good rugby. Jan Webster, behind the English scrum, did everything one could expect. His long accurate passes, darting runs and brilliant strategic kicks gave his side an early superiority on which the back line failed to capitalise.

Full-back Rossborough also deserved praise for long line punts, safe hands and, apart from one or two lapses, a sound defence. Uunfortunately, in contrast to his opposite number he could not lift the heavy ball high enough when England, with ten minutes to go, had a penalty inside the Taranaki 25.

England's forward performed creditably. They won plenty of ball from both set scrums and rucks, but the backline could not take full advantage of this.

Skipper Pullin, Stevens and Burton; the front row, held their own against strong Taranaki forwards. Martin and Watkins also worked valiantly.

Early promise of England's midfield backs was blunted when dropped or fumbled passes at vital moments took the sting out of our attack.

Good moves also failed because of a failure to calculate the strength of the Taranaki defence.

One, when Rossborough came into the line to make the extra man he was stopped in his tracks by a wall of solid Taranaki bodies.

England went close twice in the first ten minutes, and it seemed only a matter of time before they would touch down. The handling was good then, and only excellent marking by Taranaki backs held them out.

With 20 minutes gone the rain came down, and this seemed to cool some of England's ardour.

Johnston gave warning that England could not afford mistakes when attempting a 48-yard penalty he lifted the now heavy ball well but just under the bar.

Halfway through the half Webster initiated one of many thrusts when he short kicked from scrum and raced through supported by Cooper who snatched up the ball and crashed over the line, only to be called back for a knock-on.

England found consolation one minute later when Rossborough just scraped over with a penalty from 35 yards.

It was in the latter stages of this opening half that England lost the match. Mounting good attacking moves they swept into Taranaki's 25, and from a good back movement Preece fed Duckham only ten yards from goal line, but the flying winger unaccountably dropped the ball.

He snatched it up again and went over, but had to be called back.

Taranaki began to use raking kicks to gain ground but Rossborough handled the greasy ball well to halt the attacks.

Early in the second half, Johnston kicked his first penalty goal to put Taranaki level, and followed up with the second soon afterwards to give them a lead they were to hold to the end.

Other Sports News Page 6

Businessman's Diary

Fasteners and controls

TWO EXHIBITIONS later this month at Earls Court, London, will be the largest in their respective series although they are of specialist interest.

The third biennial display of assembly and fastener engineering has attracted 67 companies and will occupy 5,000 square metres. There will be a number of overseas participants. The sponsoring journal, Sub-assembly Components Fastening, has produced a technical manual which among other items lists 1,000 proprietary fasteners. The manual will be available at the exhibition.

Control and Instrumentation is the second exhibition and there will be 72 companies in 5,000 square metres of space. At least two new U.K. companies of European parentage are taking part. Both events will be held from September 17-21.

Lighting and furniture

APPLICATIONS for over 45,000 square feet of display space have already been made for next year's Lightshow—which is devoted to domestic and decorative lighting—which suggests that the event will be much larger than this year's which took up 40,000 square feet of space.

Inquiries have also come from overseas, including one for some 2,000 square feet from West Germany. Altogether 100 companies are involved so far.

The event is being mounted at Earls Court, London, from February 3-10. It will run alongside the International Furniture Show, which is on the same dates.

Works and highways

OVER 24,000 square feet of space has been taken by 113 companies at the Works and Highways Exhibition.

It is to be held at the Oval, Hastings, on September 19-20. The 76 stands involved will be displaying items such as traffic signs and street furnitures, litter-picking equipment and other plant and equipment.

The exhibition has both indoor and outdoor areas and it accompanies the annual conference of the Institute of Works and Highways Superintendents.

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Ideal Home Leisure Life Exbn. (cl. Sept. 8)	Assembly Rooms, York
Current	Intnl. Do-It-Yourself Exhibition (cl. Sept. 15)	Olympia
Current	West of England Gift Fair (cl. Sept. 6)	Victoria Rooms, Bristol
Sept. 4—6	Midlands Electromation Exhibition	Birmingham University
Sept. 4—7	Northern Floor Coverings Fair	Exhibition Centre, Harrogate
Sept. 5—9	International Ski Show	Old Horticultural Hall
Sept. 6—8	Horticultural Show	Sophia Gardens, Cardiff
Sept. 6—12	Building Exhibition	Wavertree, Liverpool
Sept. 9—13	International Watch and Jewellery Fair	Earls Court
Sept. 10—15	Intnl. Reclamation and Disposal Exhibition	Olympia
Sept. 11—13	London Floor Covering Association Exhibition	Alexandra Palace
Sept. 11—13	Computer Peripheral Exhibition	Metropole, Brighton
Sept. 11—22	Chelsea Antiques Fair	Old Town Hall, Chelsea
Sept. 13—17	London International Footwear Fair	Olympia
Sept. 17—21	Assembly and Fastener Exhibition	Earls Court
Sept. 17—21	Labware Exhibition	Bloomsbury Centre, W.C.1
Sept. 18—22	Wood Technik Intnl. '73	Earls Court
Sept. 25—28	Intnl. Filtration and Separation Exhibition	Olympia
Sept. 25—28	Dust Control and Air Cleaning Exhibition	Olympia
Oct. 2—11	Business Efficiency Exhibition	Olympia
Oct. 3—5	Midlands Ind. and Commercial Exhibition	Grand Hotel, Birmingham
Oct. 8—12	Screen Printing and P.O.S. Exhibition	Olympia

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	International Fair (c. Sept. 20)	Izmir, Turkey
Current	Men's Fashion Fair (cl. Sept. 4)	Amsterdam
Current	Autumn Fair (cl. Sept. 9)	Leipzig
Current	Jwllry., Gold, Silver, Clock-ware Show (cl. Sept. 10)	Paris
To-day	Fashion Week (cl. Sept. 7)	Berlin
To-day	Intnl. Furnishing Textiles Trade Fair (cl. Sept. 7)	Copenhagen
Sept. 5—9	International Autumn Trade Fair	Vienna
Sept. 6—12	International Home Furnishing Show	Budapest
Sept. 6—16	International Autumn Fair	Zagreb, Yugoslavia
Sept. 8—11	European Menswear Exhibition	Paris
Sept. 8—23	International Trade Fair	Ghent
Sept. 8—23	International Commercial Fair	Liege
Sept. 9—14	International Autumn Fair	Utrecht
Sept. 9—16	International Energy Exhibition	Brussels
Sept. 11—15	International Knitting Machinery Exhibition	Basle
Sept. 13—23	International Motor Show	Frankfurt
Sept. 15—18	Children's Fashion Exhibition	Paris
Sept. 19—27	International Machine Tool Exhibition	Hanover
Sept. 19—27	Welding and Cutting Exhibition	Essen
Sept. 19—28	Intnl. Data Processing Comm. and Office Org. Exbn.	Paris
Sept. 21—23	Ready Made Garments Fair	Bombay
Sept. 22—27	Intnl. Exbn. of Fine Foods and Provisions	Cologne
Sept. 22—27	International Furniture Fair	Milan
Sept. 23—30	International Consumer Goods Fair	Poznan
Sept. 28—Oct. 3	Videocassette Conference and Exhibition	Cannes
Oct. 1—5	Food Processing, Packaging and Distribution	Johannesburg
Oct. 1—7	Electronics Exhibition	Osaka, Japan
Oct. 3—7	Storage, Handling, Distribution Exhibition	Padua, Italy
Oct. 4—14	Motor, Cycle and Sport Exhibition	Paris

BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
To-day	Mngmnt. Training: Problem Analysis (cl. Sept. 4)	St. Nicholas Circle, Leics.
To-day	Dunchurch College: Problem Solving (cl. Sept. 5)	Dunchurch, Rugby
Sept. 4—6	Ind. Society: Supervision in the Office	Peter Runge House, S.W.1
Sept. 4—7	Computer Power: Introductn. to Comp. Operations	Cannock, Staffs.
Sept. 5—7	Clark Johnston: Effective Management	Great Western Hotel
Sept. 10—14	Honeywell: Project Management	Hammersmith Road, W.6
Sept. 10—14	Ind. Assets and Research: Personnel Testing	57, Marylebone High St., W.1
Sept. 11—12	Marketing Improvements: Effective Sales Office	Portman Hotel, W.1
Sept. 11—12	Fin. Times and BOAC: Doing Business with Japan	Royal Lancaster Hotel, W.2
Sept. 12—15	Bradford University: Management Information	Bradford University
Sept. 13—14	Fulmer Institute: Research Planning	Fulmer Res. Inst., Slough
Sept. 17—21	Glacier Institute: Learning to Manage	Ruislip
Sept. 18—20	Financial Times and BOAC: World Energy Supplies	Grosvenor House, W.1
Sept. 24—27	HTS Management:: Occupational Testing	High Wycombe
Sept. 25—26	Financial Times: Agreements between Companies in the EEC	Hilton Hotel, W.1
Sept. 25—27	Urwick Management: Finance in Construction	Slough, Bucks:
Sept. 27	Management Games Seminar	Coburg Hotel, W.2
Oct. 2—3	Assoc. Business Programmes: Marketing Seminar	Kensington Close Hotel, W.8
Oct. 9—10	Financial Times: European Motor Industry	Royal Lancaster Hotel, W.2
Oct. 11—Dec. 13	Fin. Times and City University: FT-City Course	City University, E.C.2

APPOINTMENTS

Chamberlain Phipps reorganises

CHAMBERLAIN PHIPPS has made a number of appointments as a result of changes in the management structure of the group.

A policy committee has been formed consisting of certain members of the Board: Mr. W. R. F. Chamberlain, chairman, Mr. B. H. Chamberlain, deputy chairman, Mr. L. G. Bellamy and Mr. S. Percival, together with two non-executive directors who will be appointed in the near future.

The group's investment in the footwear industry will be controlled by a Board consisting of Mr. G. E. Adams, chairman, Mr. J. E. Chaplin and Mr. T. G. Frost, each of whom is respectively managing director of the shoe components division, the Phipps-Faire division and the moulding division.

In consequence of their appointment to the policy committee Mr. Bellamy has resigned as managing director of the general industries division and Mr. Percival as chairman of the moulding division. Mr. J. A. H. Osborne, group financial controller, has been elected a director of Chamberlain Phipps and appointed managing director of the general industries division. Mr. Frost has resigned from the Board of Chamberlain Phipps to devote his time to the expansion of the moulding division.

★

Mr. V. Griffiths and Dr. F. Lancashire have been appointed to the main Board of ODEX RACASAN and Mr. P. C. Forbes has been appointed a non-executive director. Mr. Griffiths is managing director of Peter Downey (Hygiene) and Dr. Lancashire managing director of Odex Manufacturing, both subsidiaries of Odex Racasan and Mr. Forbes is a partner in Turquands Barton Mayhew and Co.

★

Mr. Michael S. Ridout has been appointed general manager and a director of AUTO DIESELS BRABY.

★

Mr. K. Woodcock and Mr. N. Jones have been appointed directors of SMITHS BLANKETS (WITNEY).

Captain Robert Lumsden has become commodore of the SHELL TANKERS (U.K.) Fleet on the retirement of Captain John Davison after 27 years' service.

★

Mr. D. A. S. Little, chairman and managing director of Pains-Wessex, a British Match Corporation subsidiary, has been appointed chairman and managing director of SCHERMULY, the marine and military pyrotechnics company acquired by British Match in June.

Other appointments include Mr. R. S. Colwill, Pains-Wessex financial director, to the Board of Schermuly, and Mr. W. L. Nelson, Schermuly sales director, to the Board of Pains-Wessex. Mr. A. M. Scott, formerly Schermuly's technical manager, has been appointed a director of both companies.

★

Mr. Bernard Audley has been appointed chairman of AGB RESEARCH, following the recent death of Mr. Martin Maddan.

★

Mr. Andrew Parkinson, secretary and chief accountant, has been appointed a director of DIPLOMA INVESTMENTS.

★

Mr. S. N. Mackay has been appointed a director of NAMOSA, a subsidiary of the Twining Group.

★

Mr. John E. Lea has joined the board of MORNING FOODS.

★

Mr. H. T. J. Roberts has been appointed assistant general manager of MIDLAND AND INTERNATIONAL BANKS.

★

The Trustees of the BRITISH MUSEUM have appointed Dr. Ian Longworth as Keeper of Prehistoric and Romano-British Antiquities in succession to Mr. John Brailsford, who is shortly to retire. *He will take up his appointment* on October 15.

★

Mr. D. I. Waterman has been appointed a director of ALUMINIUM DIE CASTINGS (BIRMINGHAM), a subsidiary of McKechnie Brothers.

★

Mr. Eric H. Hughes has been appointed a director of SOUTHERNS-EVANS. He has been *secretary* of the company since 1971.

★

Mr. J. S. Stephenson has been appointed assistant managing director—sales promotion services, for the BURTON MENSWEAR DIVISION.

★

Air Marshal Sir John Barraclough, Air Secretary at the Ministry of Defence, has been promoted to *Air Chief Marshal*.

THE WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not available whether dividends concerned are interims or finals. The sub-division shown below is based mainly on last year's time-table.

TO-DAY

COMPANY MEETINGS—
Metal Products (Willenhall), Birmingham, 12.
Ratners (Jewellers), 95, Wigmore Street, W., 12.
Wrighton (F.) Billet Road, E., 12.

BOARD MEETINGS—
Finals:
Blackwood Morton
Glendevon Inv. Tst.
Hawkins Developments
Kursaal
Makin (J. & J.) Paper
Interims:
STR
Desoutter Bros.
Revertex

DIVIDEND & INTEREST PAYMENTS—
British Investment Tst. Deb. Stk., 2pc
Caravans International, 1.75p
Cardinal Investment Trust Dis., 1.8625p.
City and International Tst. 5pc Pfd. Stk., 1.75pc
Common Market Tst. Ptg. Shs., 20p
Dart Inds., 7½cts
East Lancs. Paper Mill, 0.515p
Graff Diamonds, 0.575p
Lee Cooper, 4.375p
Liner Concrete Machinery, 0.42p
London and County Secs., 2.1875p
M. and G. Dual Tst., 3.2p
MK Refrigeration, 1.1025p
Metal Products (Willenhall), 0.7p
Metropolitan Water Board 3pc Stk. (B), 1½pc
Municipal Tst. 5pc Prf., 1.75pc
Myddleton Hotels 5½pc Prf., 1.925pc
Ranks Hovis McDougall, 1.1375p
Reabrook Inv., 0.7p
Renwick Wilton and Dobson, 2.1p
Treasury 9pc Ln. Stk. 1980, 4½pc, do. 9pc 1980, £4.27, do. 9pc Stk. 1980, £4.27
Ward and Goldstone, 3.075p

TO-MORROW

COMPANY MEETINGS—
Coated Metal, Cardiff, 12.30.
Meyer Montague (L.) Charing Cross Hotel, W.C., 12.
Pennine Motor Group, Leeds, 12.
Shannon, New Malden, 11.

BOARD MEETINGS—
Finals:
Decca
Elder Smith Goldsborough Mort.
Pelmadulla
Raybeck
Westminster & Country Properties
Interims:
Bury & Masco
Cement-Roadstone
Dexion-Comino International
Garner (James)
Imperial Metal Industries
Nurdin & Peacock

Justinian is on holiday

DIVIDEND & INTEREST PAYMENTS—
Alcan Aluminium, 25cts
Associated Sprayers, 1.1p
Beristords, 0.575p
Bristol Water Works Cons. Ord. Stk., 2.45pc, do Ord. Stk., 1.75pc
Comet Radiovision, 1.4p
Granley Securities, 0.7p
Hepworth (J.) A and B Ord., 3.5p
Highland Distilleries, 1.4p
Ingersoll-Rand, 54cts
Kynoch (G. and G.), 1p, do 6½pc Prf., 2.275pc
Vereeniging Refractories, 9cts
Vibroplant, 5.5p
Wrighton (F.), 0.98p

WEDNESDAY, SEPTEMBER 5

COMPANY MEETINGS—
Allied Investments, Institute of Chartered Accountants, E.C., 11.45.
Braham Millar, Browns Hotel, W., 12.
British Benzole Carbonising, Manchester, 10.30.
Great Portland Estates, Cafe Royal, W., 12.
Grendon Trust, Europa Hotel, W., 12.
Holcombe, 36, Chesham Place, S.W., 11.
London Sumatra Plantations, Baltic Exchange, E.C., 11.
United Dominions Trust, 51, Eastcheap, E.C., 12.
Whitbread, Chiswell Street, E.C., 12.

BOARD MEETINGS—
Finals:
City & Overseas Investment Trust
Dalgety
Fox's Biscuits
Interims:
APV Holdings
Australian Agricultural
British Mohair Spinners
Carpets International
Collins (William)
Consolidated Diamond Mines of S.W. Africa
Danish Bacon
De Beers Consolidated Mines
De Beers Industrial Corporation
London United Investments
Sharpe & Fisher
Sun Alliance & London Insurance

DIVIDEND & INTEREST PAYMENTS—
Aldershot 8¼pc Bonds 5/9/73, £4.2606.
Andersons Rubber, 2.205p.
Bambergers, 2.6075p.
Bath 8¼pc Bonds Red., 5/9/73, £4.2606.
Braham Millar, 0.98p.
Bullough, 1.4p.
Chesterfield 8¼pc Bonds Red. 5/9/73, £4.2606.
Coated Metal, 3.85p
Gillette, 37.5cts
Meyer Montague (L.), 1.69025p
Midland Bank, 2.45p
Plastic Construction, 0.735p
Scottish Northern Inv. Tst., 0.875p
Scunthorpe 8¼pc Bonds Red. 5/9/73, £4.2606
Stoke on Trent 8¼pc Bonds Red. 5/9/73, £4.2606
Taylor Woodrow, 1.3128p

THURSDAY, SEPTEMBER 6

COMPANY MEETINGS—
AAH, Quaglino's, W., 12.
Allied Colloids, Bradford, 12.
Amalgamated Distilled Products, Glasgow, 12.
Carlton Industries, Winchester House, E.C., 12.
Bank Bridge Securities, Manchester, 12.
Dwa Plantations, Savoy Hotel, W.C., 11.
Hicking Pentecost, Nottingham, 12.
Hillards, Ossett, 12.
Ingram (Harold), Churchill Hotel, W., 11.30.
Marryat Group, 30, Kirby Street, E.C., 12.
Wood (Graham) Steel, Great Eastern Hotel, E.C., 12.

BOARD MEETINGS—
Finals:
British Electric Traction
Courtney Pope
Felixstowe Dock & Railway
Galliford Brindley
Galliford Estates
Telefusion
Interims:
Albright & Wilson
Baxter Fell
British Petroleum
Brown & Jackson
Carron
Clay (Richard)
Gibbons Dudley
Hill & Smith
ICI
Long John International
Mixconcrete
Transport Development

DIVIDEND & INTEREST PAYMENTS—
Associated Portland Cement Deb. Stk., 4½pc
British American Tobacco Ln. Stk., 3½pc
Collins (G. and W.), 4½pc
Dares Estates Ln. Stk., 4pc
Ford International Cap. Corp. Ln. Stk., 3pc
Grange Trust, 0.63p
Great Portland Estates, 2.24p
Hawkins and Tipson, 0.7p
Henderson-Kenton, 2.66p
Hicking Pentecost, 3.01p
Imperial Metal Industries Ln. Stk., 3½pc
Ingram (Harold), 1.3p
Initial Services, 2.24875p
Joseph (Leopold) Ln. Stk., 4½pc
Linnell (Thomas), 2.5p
Marryat Ord. and N/V Ord., 1.28625p
Merchants Trust Ln. Stk., 2pc
Midland Yorkshire Tar Distillers Ln. Stk., 3½pc
Midlands Ideal Homes, 1.88125p
New Central Witwatersrand, 11cts
Olympia Deb. Stk., 3½pc
Powell Duffryn, 4.13p
Redland Deb. Stk., 3½pc
Sears Engineering Deb. Stk., 4½pc
Sheffield Twist Drill Deb. Stk. 3½pc
Tex Abrasives, 1.925p
Waddington (John) Deb. Stk., 5¼pc
Watney Mann Ln. Stks., 3½, 4pc
Wellman Engineering, 0.9538p
Whitbread Deb. Stk., 4½pc
Yorkshire Chemicals Deb. Stk., 5pc

FRIDAY, SEPTEMBER 7

COMPANY MEETINGS—
Ada (Halifax), Connaught Rooms, W.C., 12.
Brown (John), The Sanctuary, S.W., 12.30.
Cavenham, Connaught Rooms, W.C., 11.
Grampas, Grosvenor House Hotel, W., 10.15.
Hollis Brother and E.S.A., Waldorf Hotel, W.C., 12.
Inchcape, Baltic Exchange, E.C., 12.15.
Sobranie, Connaught Rooms, W.C., 12.
Wellman Engineering, 25, Wilton Road, S.W., 12.30.

BOARD MEETINGS—
Finals:
Chambers & Fargus
Parker Timber
Interims:
Bowater
Crouch (Derek)
Kleeman Industrial
Viscose Development
Ward White

DIVIDEND & INTEREST PAYMENTS—
Allen (Edgar), 1.6p
Amalgamated Distilled Prods., 1.2425p
Anglo-International Investment, 0.7p
Angostura Bitters 10pc Prf., 5pc
Barclays Bank International Ln. Stk., 3½pc
Britannic Assurance, 2.94p
British Leyland Ln. Stks., 3, 3½, 4pc
Burton Group Ord and A, 1.47p
Carlton Industries, 2.5463p
Cory (Horace), 0.1925p, do 6½pc Ptg. Prf., 3.15pc
Dunlop Deb. Stk., 3½pc
Esher 9¼ pc Bonds Red. 13/3/74, 4⅝pc
Forte Ln. Stk., 5pc
Hackney and Hendon Greyhounds, 0.25625p
Higgs and Hill Deb. Stk., 3½pc
Highams Deb. Stk., 3½pc
Hillards, 1.68p
Inchcape, 6.035p
International Investment Tst., 4½pc Prf., 1.575pc
Israel-British Bank, I£1.5
Kingsclere and Whitchurch 9¼ pc Bonds Red. 13/3/74, 4⅝pc
Lanarkshire 9¼pc Bonds Red. 13/3/74, 4⅝pc
Land Investors, 0.125p
Lincoln 9¼pc Bonds Red. 13/3/74, 4⅝pc
London Sumatra Plantations, 1.029p
Lower Clyde Water Board 9¼pc Bonds Red. 13/3/74, 4⅝pc
Meldrum Investment Trust, 0.525p
Mercantile Credit Ln. Stk., 4½pc
OK Bazaars (1929) Ord and A Ord., 19cts
Risca 9¼pc Bonds Red. 13/3/74, 4⅝pc
Sainsbury (J.) (Props.) Deb. Stk., 3½pc
Scunthorpe 9¼pc Bonds Red. 13/3/74, 4⅝pc
Sobranie Ord and Non Voting, 0.763p
Standard Trust, 0.525p, do 0.525p
Tanjong Tin, 1.3125p
Thorn Electrical Ord and A, 3.22p
Union Discount, 7p
Viscose Development, 1.05p, do 8pc Non-Cum. Prf., 4.2pc
Welland and Nene River Authority 9¼pc Bonds Red. 13/3/74, 4⅝pc
Whitbread A and B Ords., 1.708175p, do A and B Ords., 0.2825p

SATURDAY, SEPTEMBER 8

DIVIDEND & INTEREST PAYMENTS—
Ayr 5¼pc Bonds Red. 12/9/73, £2.6825
Bolton 6½pc Bonds Red. 12/9/73, £3.3212
Bournemouth 5½pc Bonds Red. 13/3/74, 2¾pc
Braime (T. F. and J. H.) Ord. and A, 0.875p
Brentwood 6¾pc Bonds Red. 10/3/76, 3⅜pc
CSC Investment Trust, 1.4p
Cheshunt 6½pc Bonds Red. 12/9/73, £3.3212
Clackmannan 5½pc Bonds Red. 13/3/74, 2¾pc
Hollis Bros. and E.S.A., 2.1875p
Islington 6¾pc Bonds Red. 12/3/75, 3⅜pc
Motherwell and Wishaw 5¼pc Bonds Red. 12/9/73, £2.6825
Peterborough Motors, 1.05p
Renold Ln. Stk., 3½pc
Slough 5½pc Bonds Red. 13/3/74, 2¾pc
Sodbury 6½pc Bonds Red. 11/9/74, 3¼pc

News Analysis

Hard winter for oil major[s]

BY RAY DAFTER

NO ONE in the oil industry was surprised at Libya's week-end decision to nationalise 51 per cent. of each of the major companies, including Shell, operating on its territory.

It had been expected for several weeks that Col. Khedaffi would mark the fourth anniversary of his bloodless coup with *some such* "present" to his people. As one oil company executive put it yesterday: "The unpredictable has done the predictable."

The scene was set early last month when Occidental, which was particularly dependent on Libyan oil, "acquiesced" to the terms of a 51 per cent. take-over. Then, in mid-August, it was announced that the independent members of the Oasis group (Marathon, Continental Oil and Amerada Hess) also "agreed" to be nationalised.

The major companies, with one eye on their supplies from Gulf states, stood firm. For a start, they considered the terms being offered as totally unacceptable; second, they could not be seen to be agreeing to Libya's demands, *since this might have* undermined all the negotiated agreements in the rest of OPEC (Organisation of the Petroleum Exporting Countries).

On Saturday, the expected was broadcast over Tripoli Radio. The new batch of companies coming under Khedaffi's control include Esso, Standard Oil of California (Socal), Shell (the remaining member of the Oasis group), Mobil, Texaco and Gelsenberg. No details were disclosed, although it is assumed that the terms will be no more favourable than the stringent compensation and buy-back arrangements agreed by Occidental.

In Occidental's case, compensation was at net book value compared with the more normal OPEC conditions of "updated book value" and the *buy-back* price for the State's share of crude was put at $4.90 per barrel compared with less than $3 per barrel in the Gulf.

Libyan nationalisation procedure is—on these figures—out of line with participation terms held by such States as Saudi Arabia. If the major companies had capitulated, they could have expected the Gulf states to tear up participation agreements. Kuwait which has one such agreement awaiting ratification, is known to be watching the Libyan situation very closely.

However much the move was expected, the oil companies concerned were far from rushing forward with their comments and alternative *plans last night*. The mute reaction to Libya's move was virtually universal. The silence may also have been tactical.

In the next few weeks, there will be much back-room negotiation in Libya and other OPEC States. In Algiers this week, the fourth summit of Non-Aligned Countries, representing most of the Third World, will be discussing the prospects of using Middle East oil as a political weapon.

On Tuesday, the Organisation of Arab Petroleum Exporting Countries will discuss the ramifications of Libya's move while in mid-September, OPEC will hold an extraordinary meeting of oil Ministers in Vienna.

All this comes against a background of continuing talks on the proposed merger of Egypt and Libya as a unified Arab State, a union which would link Egypt's industrial and military strength with Libya's oil wealth (its current production amounts to 2.3m. barrels a day, ranking as the third major oil exporter after Saudi Arabia and Iran).

Caught in this political situation, the major oil companies are hoping to face the series of [ne]*tiations as a unified* [...] Despite the fact that the international groups rely [...]tively less on Libyan oil th[an] the independents, few if a[ny of] them could manage without [diffi]culties if they were altog[ether] cut off from Libyan suppli[es].

World supplies are tight [...] participation deals are al[ready] depriving the majors [of an] *increasing proportion* of [their] traditional supplies. In add[ition] freight rates are high, [giving] Libya an added geogra[phical] advantage.

The companies, therefor[e, are] in a delicate negotiating po[sition]. If they "cave in" and ag[ree to] the nationalisation terms [they] could initiate a reorgani[sation] of participation agree[ments] *throughout the Middle East*.

If they do not acquiesce [there] could be even more str[ingent] penalties; perhaps total [nation]alisation as already effec[ted in] the case of BP. (This was [...]ted in revenge for Britain['s role] in Iran's seizure of the [...] islands in the Gulf.)

Whatever the outcome, [it looks] like being a difficult win[ter for] the oil majors, with higher [...] *and purhaps curtailed* su[pplies]. If Libyan crude was c[ut off] from Britain, for examp[le, it] would not be disastrous—[...] from Libya account for le[ss than] 10 per cent. of the total—[but it] could create a pinch on s[...] as well as aggravate the [...] situation.

It is likely to be seven [...] before the oil companie[s give] their considered opinion a[nd out]line their future plan[s. In] America yesterday, ther[e was] some talk of the possibl[e use of] international sanctions [against] Libyan oil, although th[is was] regarded as "gut reacti[on]".

The week-end move [by] Khedaffi may have been e[xpected] but it still hurt and th[e way] things are shaping up, th[e pain] could last for some time.

U.K. tobacco tests raise hope[s]

BY SANDY McLACHLAN

THE U.K. could become one of Europe's commercial producers of tobacco before the end of the decade. British American Tobacco, the world's biggest tobacco group, although it does not sell its products in the U.K., has completed the first year of a programme of experiments of growing U.K. tobacco, and the results so far have been encouraging.

BAT reckons that it will require between five and seven years to ascertain whether tobacco grown in the U.K. could be commercially usable. However, experiments in Essex and Surrey have already shown that tobacco will grow in certain areas.

A viable domestic tobacco growing industry could have several advantages. As well as providing farmers with an extra crop, it would also allow U.K. tobacco companies access to home-grown supplies f[or use] either in cigarettes for th[e home] market or for export to [...]

Most European countr[ies pro]duce some tobacco, with [...] receiving a subsidy un[der the] Common Agricultural [Policy]. France is the biggest [...] producing more than 10[...] a year, which is used [almost] entirely by the state m[onopoly].

Even optimistic e[...] would not envisage a U[.K. pro]duction of anything li[...]

Gold: Diederichs criticises U.S.

DR. NICOLAAS DIEDERICHS, South African Finance Minister, in an interview published in the July-August edition of International Currency Review, criticises the United States' attitude to the gold situation and says central banks would be unwilling to sell large amounts of the metal on the free market.

Central banks would make only token sales if they decided to enter the free market instead of operating the present two-tier system, he added. "Substantial sales of gold by central banks are most improbable, since even central bankers regard gold as the only reliable store of value."

Asked about a sensible and realistic free market price, Dr. Diederichs answered that a level of about $150 would produce solutions to many monetary problems. It would then "make sense for the dollar to become convertible again."

He had reason to believe the present two-tier price system, which separates free market and official dealings, "will be terminated quite soon."

The annual meeting of the International Monetary Fund, which takes place in Nairobi this month, can clearly produce no solution to world monetary *problems—"and no one has expected any concrete results,"* Dr. Diederichs declared.

He predicted a flight from currencies if no solution is found within a reasonable time and foresaw "a crisis of very serious proportions," if the Committee of 20 failed to come up with an acceptable new system by the end of next year.

Increased demand

Turning to South Africa's own gold-mining situation, he said any increase in output stemming from the higher gold price would *take time and probably not be* very substantial. It would be more than offset by increased demand.

Concerning Soviet production of gold, he said the information he had, pointed to production of between 200 and 300 tons a year against 900-1,000 tons for South Africa.

The probable level of the Soviet Union's gold reserves has been put at between $1,000m. and $2,000m. but he cautioned that these figures were pure guesswork.

Asked whether the Rand might be floated, Dr. Diederichs said no change in the currency's *status* was considered necessary now, especially since the recovery in August of the dollar, to which it is linked.

BRS Parcels in Europe

BRS PARCELS is now supplementing its "Pacemakers Transits" parcels and small freight service operated within the U.K. by a new road/air service covering Europe.

The new service is expected to appeal to existing customers involved in high value or urgent export shipments of less than full-load capacity.

Exporters who normally ship by full load, but which periodically need to dispatch packages or small consignments they could not afford to have delayed at groupage points while full loads were *assembled, might* also be interested.

Businesses in England, Wales and Scotland, can dispatch goods via the normal daily collection and delivery service operated from the company's 80 branches.

Documentation has been simplified, and insurance cover of £7,000 a tonne applies immediately the goods have been collected.

Delivery to customs destination points will usually take 4/5 days, although most should be served within 2/3 days, the company said.

هكذا من الأصل

Brandt calls off Prague trip after treaty hitch

BY JONATHAN CARR

BONN, September 2.

WEST GERMAN Chancellor Herr Willy Brandt has indefinitely postponed a planned visit to Czechoslovakia this week for the signing of a treaty normalising relations between the two countries.

The reason is that despite intense diplomatic activity by Bonn to find a compromise formula, differences between the two sides involving the interests of West Berlin could not be resolved.

Informed sources say it is clear that the Soviet Union has been behind Prague's stand, and that in their dealings with Bonn the Czechoslovaks have had little room to manoeuvre.

The same is true of Bonn's talks with Hungary and Bulgaria on the establishment of diplomatic ties. It is expected here that with the road to Prague blocked, these talks too will make no further progress for the present.

Thus the final phase of Herr Brandt's Ostpolitik—which has already brought pacts with the Soviet Union, Poland and East Germany—has run into delay.

Officials here stress they do not regard the situation as serious in the sense that it reflects a fundamental change in Moscow's desire for better relations with Bonn. It is believed the need for industrial cooperation with West Germany will eventually be an overriding one for Moscow.

But there is clearly considerable irritation that after hundreds of hours of negotiations over the Prague treaty, a comparatively minor point has caused the postponement of the Chancellor's visit.

In the talks, Bonn has held that under the four-power agreement of 1971 on Berlin, its consular services in the three East European countries should be available not only for West Berlin citizens but also for Berlin institutions, such as courts and companies.

The relevant passage in the accord is not fully explicit on the matter and Prague has been interpreting it in the most restrictive manner possible.

Explaining the present impasse, West German sources say the Soviet Union went as far as it believed it could go in signing the Berlin agreement, and rather further than its East German ally desired.

Moscow, the sources say, is now anxious that no precedent be set—even on apparently minor points—which could, from its point of view, dilute the Berlin accord still further. It is noted that the present difficulties are also coinciding with a general tightening of the ideological line in Eastern Europe in the wake of the recent Crimea summit meeting of Communist leaders.

EEC hollow glass producers accused of price-fixing

BY LORELIES OLSLAGER

BRUSSELS, September 2.

THE EEC Commission has begun proceedings against a number of European producers of hollow glass for infringing the free competition provisions of the Rome Treaty. The companies, none of them British, are accused of price fixing practices and of having co-ordinated their sales conditions.

News of the Commission's move precedes the slow resumption of Community activities to-morrow after the five-week summer holidays. But while most officials and Commissioners are returning to their desks this week, no major activities are scheduled before the week September 10.

The first notable EEC event will, in fact, take place in Tokyo when Ministers from the Nine will meet on the eve of the opening of the international trade negotiations on September 12 to determine the Community position on outstanding questions.

The Commission itself resumes its weekly meetings here on September 11, and the permanent representatives of the member States in Brussels start a day later. The first council meeting in Brussels is scheduled for September 21 to discuss the EEC Budget for 1974.

The glass producers to whom the Commission has sent letters of complaint are all members of the Liechtenstein-registered International Fair Trade Practice Rules Administration (IFTRA). They include Gerresheimer Glas, Ruhrglas and Heye Und Neinburger Glas of Germany; Boussois-Souchon-Neuvesel, St.-Gobain and Verreries de Blanc-Misseron of France; Verlica-Momignies and Bouteillleries Belges Reunies of Belgium; Bordoni, Ricciardi and Vetri of Italy; and Verenigde Glasfabrieken of the Netherlands.

The Commission alleges that within IFTRA they agreed to respect a fellow member's prices when exporting to its territory, as well as to exchange price lists and information on sales conditions, discount practices, and price modifications. They also agreed to co-ordinate their methods of price calculation and align their sales conditions.

All this, the Commission said, constitutes a "grave and deliberate" breach of Article 85 of the Rome Treaty, which forbids restrictive practices such as price fixing and market sharing agreements. It reminded the companies that it has the right to impose fines for such infringements.

The companies now have the right to reply before the Commission makes a final ruling, which in turn can be challenged in the European court in Luxembourg.

According to informed sources British manufacturers of hollow glass have had contacts with the IFTRA members, but have not joined the group.

Italian cholera outbreak 'now under control'

BY PETER TUMIATI

ROME, Sept. 2.

THE ITALIAN cholera situation is now under control and cannot be called an epidemic. This was stated to-day by the Italian health authorities.

In the past 48 hours there have been no further cholera deaths, but in the week up to last Friday there were nine deaths, all of them in Naples.

However, it is now admitted that a considerable number of cases, none of them fatal so far, have also occurred in Bari and in other areas of Apulia, in south eastern Italy. In Palermo, where a number of people had been taken to hospital with symptoms similar to those caused by cholera, it was confirmed again to-day that there have been no cases of the disease.

In Bari and Apulia, even though no fatal cases have been reported, the disease appears to be still spreading. At least 29 of the people taken to hospital have been stated to be suffering from it. Some 300 people are in hospital as suspected cases. In Naples, however, the number of ascertained and suspected cases is declining.

Nearly a million people have already been vaccinated in Naples. Thousands of them were queuing again to-day in front of hospitals and other medical centres to be vaccinated.

Minor riots took place over the week-end in some of the poorer quarters of the city because of water shortages and a general feeling of frustration over the ineffectiveness of the local authorities. To-day the authorities were trying to control the growing black market for lemons—which have been said to be an effective preventive against cholera infection—and for some drugs which are now in short supply.

SWEDISH RULING PARTY "TO GET 41% OF VOTE"

By John Walker

STOCKHOLM, September 2.

With two weeks to go before the Swedish general election on September 16, the ruling Social Democratic party were supported by only 41 per cent. in an opinion poll carried out by the Swedish Institute of Public Opinion Research for the Stockholm newspaper Dagen Nyheter. The three opposition parties, the Conservatives, Liberals and Centre Party showed a combined total of 50.5 per cent.

The Social Democratic minority Government has been able to stay in power since the 1970 election—when it polled 45.3 per cent.—with the support of the Communist Party, which then won 4.8 per cent. of the vote. In the latest poll the Communists were given 5.5 per cent. of the votes.

Rebuff for Nixon in oil companies anti-trust action

BY ADRIAN DICKS

WASHINGTON, Sept. 2.

THE U.S. Federal Trade Commission has rebuffed an extraordinary attempt by the Nixon Administration to get it to call off its pending anti-trust action against eight major oil companies, on the grounds that the case might reduce fuel supplies coming to market in the next few years.

The FTC, which is an independent Federal regulatory agency, filed a complaint on July 17 against the eight companies accusing them of monopolising the refining of crude, and of having "maintained and reinforced a non-competitive market structure" in several parts of the U.S.

The suit, which has yet to come to its first hearing, is separate from the anti-trust action by the Justice Department reported this week in Time Magazine. It stems from very widespread protests during the past few months that the larger integrated oil companies have profited from crude shortages to force smaller independent refining and marketing companies out of business.

In a letter to the chairman of the FTC, Mr. Lewis Engman, the chairman of the President's Oil Policy Committee, Mr. William Simon, said that the possibility that the Commission's action might lead to a separation of the integrated operations of the majors "gives me a great deal of concern because of its implications for domestic energy supplies in the next few years."

Mr. Simon, who is also deputy secretary of the Treasury, goes on to request the opportunity to "discuss the matter further" with Mr. Engman before final action by the FTC. He argues that the integrated companies' fear of being forced to divest some of their functions has given some of them second thoughts about building new refineries in the U.S. — an objective that comes high in the Administration's order of priorities for dealing with the so-called energy crisis.

Mr. Simon's letter appears not to have reached Mr. Engman himself, but his staff rejected the request and told Mr. Simon bluntly that "any discussion by any commissioner of the complaint or its underlying legal or factual bases could give rise to charges of impropriety or unfairness."

The incident, coinciding with the Justice Department action, serves to illustrate the curious ambivalence of the White House towards the energy situation. In response to spot shortages of heating oil last winter and of petrol this summer, it has tried to persuade the bigger companies to go on making crude available to the independents.

These efforts had little success on a "voluntary" basis, and last month the White House repeated its request and published details of a mandatory allocation programme while asserting that it had no intention of putting this into effect.

New Soviet attack on Solzhenitsyn

MOSCOW, September 2.

THE SOVIET Press suddenly fell silent to-day on the trial of former dissident leaders Pyotr Yakir and Viktor Krasin, who were sentenced on Saturday to three years in prison plus three years' internal exile.

But newspapers kept up a steady attack on Nobel prize-winning novelist Alexander Solzhenitsyn and Nuclear Physicist Andrei Sakharov, both of them accused in the trial of involvement in underground activity.

The Communist Party newspaper Pravda said Solzhenitsyn and Sakharov, who have criticised Soviet policy recently, had made "malicious statements" that were picked up by the Western Press in a campaign of "slanderous fabrications against the Soviet Union." Other newspapers carried letters from readers denouncing Sakharov.

There was no explanation for the Press silence on the Yakir-Krasin trial. Soviet newspapers covered the trial last week but the Moscow court verdict on Saturday was reported only in the Foreign Service of the official Tass news agency.

Western diplomats believe the main purpose of the trial was to make clear to the Russian people that greater openness in relations with the West will not mean relaxation at home.
UPI

Reuter reports that Dr. Sakharov to-day received his first support within the Soviet Union from a fellow physicist.

Physicist V. F. Turchin issued a statement to the foreign Press here calling for "all supporters of progress and democracy, all supporters of peace in the world to raise their voices in the defence of Academician Sakharov."

He spoke of the "hysterical campaign" against the most eminent of the dwindling band of Soviet dissenters who has come under heavy attack recently through his outspoken criticism of the Soviet system and his struggle for human rights here.

The statement stressed Dr. Sakharov's great courage as a citizen and said the campaign against him was causing enormous harm to the international position of the Soviet Union.

The Soviet Press, television and radio have recently publicised a number of letters denouncing Dr. Sakharov and expressing strongly-worded indignation at his activities.

French poll likely to raise race tension

By Rupert Cornwell

PARIS, Sept. 2.

THE PRESENT tension between the local population and Algerian migrants in France's big cities will be intensified by an opinion poll just published here, showing that more than one person in two considers that workers from North Africa should be singled out for extra strong entry controls.

The surveyor, organised by the weekly magazine Le Nouvel Observateur comes after a week marked by a series of racial incidents, mainly on the South coast, in and around Marseilles. Of those interviewed, 58 per cent. felt that North African immigrants should be limited in number, and only 36 per cent. that they should be treated like workers from any other foreign country.

Not surprisingly, hostility to unlimited immigration is most felt among older age groups, more likely to remember the Algerian crisis of the 1950s and early 1960s, and the lower classes, particularly small shopkeepers, who feel themselves most threatened by competition from Algerians.

Despite a resounding majority of 68 per cent., which acknowledged that foreign labour is useful to France, the survey showed up clearly the now familiar prejudices against migrants.

Exactly half those interviewed believed that immigrants were especially prone to violent crime and racketeering—despite frequent official statistics showing this is not so. Moreover 38 per cent. said they were afraid to venture out onto the streets alone after dark.

Perhaps the one encouraging finding for the Government is that 49 per cent. of the sample believed that the best way to ease racial tension would be to improve the social and living conditions of foreign workers.

This body or opinion narrowly outweighed the 42 per cent. for whom the best solution would be increased surveillance and tougher police checks on the immigrants.

CANADIAN TRAINS MOVING AGAIN

OTTAWA, September 2.

Trains began moving again across Canada early this morning for the first time in 11 days as most of the nation's 56,000 striking railways workers obeyed a Parliamentary order to go back to work. The new law, which made it illegal for railway workers to remain on strike after midnight last night, was passed by Parliament on Friday night. The law, among other things, provides for minimum wage increases for rail workers.
Reuter

Ministers arrive for Algiers conference

BY OUR OWN CORRESPONDENT

ALGIERS, Sept. 2.

SENIOR MINISTERS from more than 70 countries were meeting here to-day to prepare the fourth summit of non-aligned countries which opens on Wednesday.

Over the last few days delegates, often with widely divergent views of what non-alignment is all about, have been pouring into Algiers. A beaming President Tito, the only survivor of the three main founding fathers of non-alignment (the others were Nasser and Nehru) arrived to-day.

He was driven through streets which the Algerian authorities have decorated with slogans expressing familiar sentiments about familiar political topics: the plight of the Palestinians, Vietnam, the iniquity of foreign military bases, and so on. But they also evoke the economic plight of the developing countries and the widening gap between the rich and poor nations.

From the hopes expressed by arriving delegates and from the deliberations of a preparatory committee of officials who met here last week, it is clear that there may be rivalry for prominence at the conference between the developing countries overriding economic problems and individual political problems which worry particular states.

Because of its venue this conference will inevitably treat the problems of the Middle East at length, just as the last Summit, which took place in Lusaka in 1970, was dominated by Southern Africa.

Fierce anti-Israel resolutions are already being planned and the Israelis, anticipating this, have in recent weeks been lobbying actively in a number of African and Latin American capitals, in the hope that their friends in the Third World may be able to do something to temper the blast.

However careful the agenda-planning may have been, international conferences are often dominated by the events of the moment. Against the background of Col. Khedaffi's moves against the oil companies in Libya and this Tuesday's meeting in Kuwait of OAPEC Foreign Ministers, it is certain that the prospects for using Middle East oil as a political weapon will be raised.

Almost all Arab heads of Government are expected here by mid-week and a separate Arab summit could well take place in Algiers.

Bonn Minister ready to attend bribery probe

BY JONATHAN CARR

BONN, Sept. 2.

A WEST GERMAN Minister is ready to appear before a Parliamentary investigation following a claim that he withdrew DM50,000 from Federal funds the day before a Bundestag vote which enabled the Government to stay in office.

The Minister of Research and Technology, Horst Ehmke, would be the highest member of the Government to appear before the committee, which began probing allegations of political bribery in June.

A former opposition deputy, Julius Steiner, claims he was paid DM50,000 for helping the Government win the confidence vote of April 27, 1972. Herr Steiner says he received the money from the Social Democrat Party whip, Karl Wienand, just after the vote. Herr Weinand denies this.

The new twist to the affair came this week-end. A Cologne newspaper said it had been told by Herr Ehmke, then Minister at the Chancellery, that he had removed DM50,000 from Federal funds on April 26, 1972.

According to the newspaper, Herr Ehmke said the money was intended for the so-called "reptile fund" at the Chancellery This is a fund for the furthering of information, and is not fully accountable to Parliament. Herr Ehmke denied the money went to Herr Steiner, the newspaper said.

A spokesman for Herr Ehmke's Ministry said to-day that statements about whether the Minister had removed Federal funds, or what he had done with them, were pure invention. But he made it clear that Herr Ehmke was ready to appear before the investigating committee this week.

GERMAN WAGE TALKS RESUME TO-MORROW

By Malcolm Rutherford

BONN, Sept. 2.

TALKS ON the wage situation in the West German engineering industry will be resumed on Tuesday after union leaders and employers met for 17 hours on Friday without reaching any results. Both sides believe, however, that the outbreak of unofficial strikes is more or less over, at least for the time being.

The two sides are believed to be discussing whether there should be a premature end to existing wage contracts in the industry, or whether there should be simply a series of house agreements designed to run until the end of the year when the contracts are due to expire. There is also a dispute as to whether new wage negotiations should be conducted centrally or regionally.

THE JOBS COLUMN

Managerial chief for stockbroker

BY MICHAEL DIXON

STOCKBROKER Smith Keen Barnett wants someone to provide a consummate and sweetly running management machine so that the firm's traders and other specialists can concentrate on their proper jobs without bothering about administrative matters.

Based in Birmingham, the new director of administration will be responsible to senior partner David Rowe-Ham for finance and accounting, personnel and organisational development, and support services generally.

As well as seeing that these various services are delivered on time, the newcomer will have to develop the firm's systems in line with the new methods being adopted by the stock exchanges. This requires, among other things, a thorough user's knowledge of what computers can and cannot do.

The director will also take part in determining business strategy and carrying out marketing plans.

SKB, which has a branch in London, employs rather more than 100 people and is expanding. At first the director, who will work through the heads of the appropriate departments and office managers in branches, will have about 25 staff in his domain.

Candidates must be qualified accountants, preferably chartered and with some formal training in general management. They should have managed the financial function of a concern in the money business—not necessarily a stockbroker—and ideally have developed their diplomatic skills in work such as management consultancy. Age 32-50.

Salary £7,000 plus bonus based on achievement. Help with removal. Non - contributory pension. Rest for discussion. Applications to Giles Foy, Leslie Coulthard Management (Brettenham House, 14, Lancaster Place, London WC2).

Young, mean and greedy

There's a job with similar basic content open in Stockport. But the context is . . . well, less gentlemanly than stockbroking.

"We're young, mean and greedy," declares Wilf Cassel, managing director of Cordon Bleu Freezer-Food Centres, which over four years has grown to own two dozen supermarkets in the North and Midlands specialising in supplies for family deep freezes.

He wants a financial controller able to earn a Board seat within three months by "looking after everything that happens on paper in the company. He's got to be ready for what we'll need six months ahead, and be involved really personally in the growth of the business."

Candidates must be qualified accountants, ideally with a degree in management, but certainly with management expertise. "We want somebody hungry to get on, you know, quite probably with a working-class background."

Experience? "Management side in a first-class retailing chain would help, but I've an open mind," says Mr. Cassel (108-110, Prince's Street, Stockport, Cheshire—tel. 061-480-0441). Age 24-40.

Salary up to £5,000 or so. Equity share in view. Car. Help with removal. Non-contributory pension. Holidays flexible.

No figures disclosed, but the MD says the company is second in its business in Britain, and aching to be first.

Community builder

The next job, I gather, is to create a sort of up-to-date Welwyn Garden City for between 3,000 and 5,000 families on a thousand-acre site some 18 miles south of Glasgow. The job title is township manager, and the employer is West European Building Corporation, owned by four construction companies.

"We need an absolute paragon," says managing director Duncan Scott Douglas, "who can help to stimulate the planning and design of an imaginative community where high-quality homes will be integrated with the entire range of recreational facilities which the residents will want. The manager will be in charge of the total project right the way through."

A professional qualification, which could be in anything from accountancy to architecture, is wanted. "Apart from that, we shall look for proved success in an executive capacity, probably with a major concern in construction or a company in the property field. The essentials are enthusiasm for this type of private-enterprise development, and skill in management, especially the management of ideas." Age unspecified.

Pay, starting around £6,000, will be linked to achievement. Other benefits for discussion. Applications to Mr. Douglas (Catthorpe Manor, Catthorpe, Rugby, Warwickshire—tel. Swinford 533).

The Scottish development—where the manager will be based—is the first major project of the four-year old company. But others are in view, including several on the Continent.

SPORT: HORSE TRIALS . . . SAILING

Mark Phillips best at Burghley

BY MICHAEL DONNE

BURGHLEY, Sept

CAPTAIN MARK Phillips riding Mr. A. E. Hill's horse Maid Marion won the Burghley three-day event here to-day with 67.27 penalty points.

Second was Miss Diana Thorne riding The Kingmaker (76.53 penalty points), third Miss Sue Hatherly riding Harley (81.07 penalty points), and fourth Mr. Chris Collins, riding Centurian with 86.73 penalty points.

Mark Phillips has thus demonstrated that he ranks as one of this country's foremost riders in three-day-eventing, with a particular ability to take a strange horse and coax a superb performance from it.

He has had many victories in the past, notably at Badminton with his well-known mount Great Ovation. But his Burghley horse Maid Marion was largely an unknown quantity, being offered to him to ride only a few days before the event. The horse had already done well at earlier events, being the reserve champion at the Junior European Championships at Eridge last year when ridden by Tony Hill.

Diana Thorne is one of this country's most promising young three-day-event riders. With The Kingmaker she has been placed consistently over the past two seasons and in 1972 won the Midland Bank Novice Championship at Cirencester.

Sue Hatherly's horse Harley was the reserve horse for the Australian Olympic team at Munich last year and was also then ridden round Burghley by his previous owner, Bill Roycroft.

With Sue Hatherly, Harley came ninth at Badminton in the spring and was short-listed for the forthcoming European championship at Kiev this week.

She is one of the younger riders rapidly making a name for herself, and her skill and courage were further exemplified at Burghley by the fact that she took a second horse, Devil's Jump, round the course, finishing the cross-country with it in seventh position.

Mr. Chris Collins, who came fourth with Centurian, started the cross-country phase of this year's event in a stronger position than usual because of his improved dressage. He has been consistently in the running at horse trials over the past few seasons and is well known in National Hunt circles.

Once again, it was the cross-country that weeded out the weaker horses and riders. Although tough, this year's course was fair and about one quarter of the competititors failed to complete it for various reasons, mainly being eliminated for refusals at some of the more difficult fences.

Although fewer falls occurred than might have been expected, a further five horses either failed to pass the vet, or did not present themselves for inspection yesterday morning.

The advantages of good cross-country performance in three-day-eventing were amply demonstrated at Burghley this year. Sue Hatherly's performance, for example, indicated that with a good cross-country performance, a rider can pull himself or herself well up the list.

At the end of the dressage phase on Friday night, Hatherly was lying 14th b[...] Saturday night after the [...] country she was lying se[...] Similarly, Diana Thorne an[...] Kingmaker, who did not h[...] very good dressage score, p[...] themselves up into third [...] at the end of the great [...] country day.

Nevertheless, the vi[...] achieved by Mark Phillips demonstrates just how val[...] a good dressage score can [...] determining the eventual [...]ners.

At the end of the dre[...] phase on Friday, he was second, with only a French [...] ahead of him. His ultimat[...]tory was achieved by a co[...]tion of this good dressage: a virtually faultless cross-co[...] performance and a good show jumping phase.

He went into the show ju[...] in such a commanding po[...] that he could afford to hav[...] fence down and still wi[...] event. As it happened, h[...] demolish the last fence, b[...] still the ultimate victor.

Burnham misses the South Coast big yach[...]

BY ALEC BEILBY

APPROPRIATELY ENOUGH it was on September 1, the opening day of the oyster season, that David Powell's and Richard Martin's Oyster, a contender earlier this season for a place in the British Admiral's Cup team, won the Town Cup at Burnham-on-Crouch, the culminating event to the week-long Burnham Regatta.

Oyster's win, by a mere four seconds on handicap from her main rival of the week, Bill Howkin's Swan 44 Formosa, was a fitting end to a struggle between these two yachts which has kept Burnham alight for the entire length of the regatta. There has been some disappointment, admittedly, that more of the yachts that have spent the season racing on the South Coast did not venture to the North Sea for this traditional festival, particularly the Prime Minister's Morning Cloud.

Mr. Heath has scored some noted sailing successes at Burnham in past years but, with his misfortunes in the Fastnet race still very much in mind, he decided to stay in the Solent and compete for the remaining races of the Solent Points series. At present he and his crew are contesting the lead with Robin Aisher's Frigate and Arthur Slater's Prospect of Whitby.

The Solent Points series, has taken on greater significance during the last two years since co-ordinated by a specially-formed secretariat of the Combined Cowes Club. Its attractions have possibly cost Burnham the entry of as many as ten South Coast - based yachts, especially as the pilgrimage to Burnham after the rigours of Cowes Week and the Fastnet race means spending an initial week-end sailing to the East Coast, a further week-end, a full week racing and then another week-end to sail back to the South Coast centres.

These factors, together with the abandoning of the annual ocean race from Southsea to Harwich earlier in the season has meant that, for the crews of some larger yachts the East Coast waters are becoming more remote.

Nine of the 13 Solent Points races have now been sailed and to enable as many yachts as possible to qualify for inclusion in the overall results, only the seven best results for each yacht are counted. On this basis, prior to this week-end's race, Morning Cloud, counting her best five races sailed, led Frigate by 16 points but Frigate had sailed two more races than Morning Cloud. Aisher and his crew took a well deserved rest this week, having been at sea every week-end since the yacht was launched in March.

The ninth race of the series, organised by the Island Sailing Club on Saturday, was crucial from the Solent Points aspect and a fresh south-westerly wind and fair tide made for ideal conditions for a fast sail to the Nab Tower and back to Cowes, a distance of 33 miles.

Sir Max Aitken's Perseverance, with her designer, Britton Chance, aboard, hoping to solve the keel problems that prevented the yacht from competing in the Fastnet race, revelled in the fast easterly run and then led the way home to Cowes. She seemed to perform better into the fresh wind than she has done previously this season, completing the course in $3\frac{1}{2}$ hours.

While she led home, th[...] handicap struggle was deve[...] just astern of her with Pr[...] of Whitby leading Alan Gr[...] and David Johnson's Sup[...] and it was, in fact, Prospe[...] took the race by seven se[...] a result that brought soul-[...]ing for lost seconds amo[...] Superstar crew and a stren[...]ing of the hopes of the Pr[...] crew of a Solent Points [...] win.

Morning Cloud, with Mr. [...] aboard, was fifth and, wi[...] absence of Frigate from th[...] she still holds a narrow [...] lead. This was not officiall[...] firmed as Major Peter Sn[...] who is responsible for co[...] the points, was on holida[...]

Meanwhile, speculation [...]cerning the choice of the [...] Ocean Racing Club's te[...] three yachts to compete [...] Australian Southern Cross [...] continues and while M[...] Cloud and Donald Parr's [...] III still seem likely s[...] Prospect strengthened her [...] to selection. The crews of [...] other yachts seek sponsors [...] to ship their yachts and[...]selves to Sydney for the so[...] hemisphere traffic.

N. Sea 1,000 mile oil pipeline being considered

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

EDINBURGH, Sept. 2.

SERIOUS CONSIDERATION is being goven in banking circles to the possibility of undertaking a 1,000-mile joint-user oil pipeline project, serving several North Sea oilfields off the Scottish coast, and linked to export terminals on the Clyde and, possibly, the Forth estuaries.

Although this formidable scheme is still in its very early stages, it is understood that it could be one of the first projects to be put for evaluation before the newly-formed International Energy Bank—the six-member banking consortium which was launched in July.

What is now being examined is the creation of a pipeline network linking oilfields on a track south from the big discoveries north-east of Shetland, and making a landfall possibly in Aberdeenshire, As much as three-quarters of the 1,000-mile line would be undersea.

Apparently, three major oil companies have been approached so far, and have indicated that they would like to discuss the concept further. Discussions with other oilfield operators will take place in the coming weeks.

The promoters of the scheme, who are not yet prepared to disclose their identity, have the Hunterston deep-water site on the Ayrshire coast in mind as one principal destination for the network. Two companies, Chevron and the Italian-led group, ORSI currently have applications to the Government for refineries at Hunterston, with planned throughputs of 10m. and 24m. tons a year. There could also be facilities for bulk export of crude.

In addition, it is at least possible that BP might be approached because of the strategic locale of that company's two tanker terminals on either side of the Scottish central belt—one is being built in the Forth Estuary to export BP's surplus crude from its Forties oilfield: the other is at Finnart, Loch Long, which is used by the company now to draw Middle East crude for its Grangemouth refinery.

Potential

BP is known to have been thinking for some months about the potential of its two landlines from Finnart to Grangemouth It could have some spare pipeline capacity there once its Forties crude begins being processed at Grangemouth, though this will depend largely on the ultimate size of the refinery.

The promotors of the network concept see a number of advantages in the scheme. A single large-scale oil evacuation system would spread cost and risk among developers who would otherwise have to undertake individual pipelaying projects in water depths and conditions not encountered until now.

It is also argued that a shared facility could make viable some of the smaller North Sea finds which might not be commercial if they were based on independent production systems.

Finally, with mounting environmental pressure affecting Scottish mainland coastal sites, and with special sociological difficulties governing the use of tanker sites in the North Isles, it is thought wise to limit the number of individual pipeline projects.

There are clearly immense problems, too. The cost of the scheme would be huge (Shell estimates a cost of about £400,000 per mile for any subsea pipeline it might eventually lay from its Brent field to Shetland). Nor is it certain that the technology exists to lay pipe of the large diameter required.

Oil companies would also have to be persuaded of the positive advantage of sharing in a scheme destined for central Scottish tanker terminals. Many of them, who have no plans for refining in Scotland, may well prefer their own plans for shorter pipelines to trans-shipment terminals in the far north.

More strikes but fewer days lost is trend in 1973

BY NOEL HOWELL, LABOUR REPORTER

STRIKES resulted in the loss of 4.36m. working days in the first seven months of this year according to statistics released to-day by the Department of Employment.

Up to the end of July, 1,045,800 workers had been involved in 1,629 strikes, although the number of working days lost is down considerably from last year.

The figures indicate a trend towards a greater number of shorter disputes when compared with last year's equivalent figures, which were inflated by the 1972 miners' strike. That alone lost more than 10m. working days.

In July this year there were 196 stoppages involving about 63,000 workers, and some 222,000 working days were lost. Among the major disputes in July was the strike of 400 transport drivers with Ford Motor, which led to the laying off of 19,000 other workers.

Other statistics released to-day by the Department show a slight slowing down in the rise in basic hourly and weekly wage rates.

The weekly rates for July indicate a 15.4 per cent. rise over the previous 12 months, compared with a 15.8 per cent. increase in the June figures. The basic hourly rates for July show a 15.8 per cent. increase over the previous 12 months, compared with 16.2 per cent. higher June basic hourly rate figures.

During July some 705,000 workers received pay rises, adding £1.5m. to industry's weekly wages bill. The Department's basic wage statistics include only centrally agreed rates and do not take account of local adjustments or reflect higher earnings.

In the first seven months of the year 6.89m. workers received basic weekly rises worth £15.19m. In the first seven months of last year, 5.8m. had basic weekly advances worth £11.29m.

The number of workers who have had a reduction in their working week in the first seven months of this year—674,000—is also greater than during the same period last year, when 575,000 workers received cuts in their normal weekly hours of work.

Better prospects for graduates

BY NOEL HOWELL, LABOUR REPORTER

JOB PROSPECTS for graduates who lef university this summer are likely to be substantially better than last year, according to a survey published to-day in the Department of Employment Gazette.

The Gazette forecasts that employers this year are looking to new graduates to fill something like 15 per cent. more jobs than they did in 1972.

This forecast takes into account a 5 per cent. increase in the number of new graduates seeking jobs.

In manufacturing industry alone, the recruiting increase is 30 per cent. above last year, according to the Department's survey, while the service group of industries—distribution, the professional and business services—show a rise in graduate recruitment intentions of about 20 per cent.

In all the industries covered by the survey forecast vacancies for graduates this year are 6,079, compared with an actual graduate intake last year in the same industries of 4,968.

Considerable differences in recruiting intentions between different industries and even within the same industry are disclosed by the survey. Some companies indicated they were reducing graduate recruitment this year, and 40 per cent. of service trade companies reported that they did not intend to increase their recruitment.

In the public sector a drop in recruitment to higher education and a relatively unchanged level of civil service recruiting is more than matched by a 14 per cent. rise in known vacancies in local government service where recruiting levels of two years ago have been re-established.

The Department concludes that "the prospects for this year's graduates are likely to be substantially better than they were for those graduating in 1972."

Newsprint industry's future may hang on recycling

BY LORNE BARLING

NEWSPRINT PRODUCERS in the U.K. are looking hard at de-inking and recycling processes in which at least one of the big companies is expected to make a major investment soon.

The future of an indigenous British newsprint industry could ultimately hang on the development of these processes for secondary fibres. It is recognised that while supply and demand fluctuates, non-integrated newsprint operations in a timber-deficit country cannot compete on cost and price terms with integrated operations in Canada and Scandinavia.

Mill strikes

The present world newsprint famine, exacerbated by mill strikes and other labour disputes in Canada, has forced publishers to consider the crucial question of whether they want a U.K. newsprint industry, or to buy in the cheapest markets and suffer in times of shortages.

There is nothing inherently new in the present situation, for the industry has experienced an imbalance of supply and demand over the past decade. During the 1960s downturn in the market many producers put off investment decisions and the present sharp upturn has caught producers with a shortage of capacity.

It is this lack of viability in an industry which is notoriously sensitive to vagaries of the economy that has led to increasingly intensive studies of recycling and de-inking processes, particularly in view of the fact that 100 per cent. recycled newsprint has been produced in the U.S. on a limited basis.

This has been achieved in a country which consumes newsprint at a rate of about 10m. tonnes a year and can determine whether there is a glut or famine in Britain, where consumption is less than a fifth of that figure.

Reed Paper and Board (U.K.) has for some time produced newsprint which has a recycled content of 27 to 40 per cent., depending on the application. This could be improved if the technology is improved.

Present research in this direction is encouraging, the possible outcome being a significant cut in the volume of pulp imports and the production of newsprint at a competitive price.

Standards of recycled newsprint are crucial to publishers. But producers believe that by slow application of pure technology to production, high proportion recycled newsprint will be acceptable. This acceptance may first come from regional newspapers, where shorter print runs can lessen strength requirements.

Reed, one of the heaviest investors in recycling and de-inking, began looking at alternative processes more than 10 years ago. It set up its first de-inking plant in 1964 at the company's Imperial Mill at Gravesend, Kent.

It also has a 50 per cent. interest in J. J. Maybank, probably the largest waste paper merchant in Europe, which not only supplies Reed with industrial waste, but operates schemes with local councils for the collection of waste paper.

Reed also has a more advanced de-inking plant at Aylesford, where consumption of waste has reached between 90 and 100 tonnes per day. With proposed expansion, this could reach 125 tonnes.

The extent to which Reed is backing this potential winner can be judged by its plan to spend more than £400,000 on expansion.

Bowater, too, is building a de-inking plant at its Mersey mill at a cost of £75,000. Its supplier, the German company J. M. Voith, is responsible for waste paper preparation plants that have come on stream in Britain at the rate of about one every seven weeks in the past seven months. The company forecasts considerable investment in the U.K. in future.

It is significant that the industry is at considerable pains to make the public aware of the advantages of recycling by encouraging the collection of waste paper from sources such as local authorities, charities, even the Boy Scouts.

There is unease, however, that the coming reorganisation may have the reverse effect of waste paper supplies. It is felt that investment decisions on new handling and baling machinry may be deferred until the new local authorities are settled. This would postpone the much-needed increase in volume.

Other possibilities for raw materials are also being considered. PIRA, the research association for paper, board and packaging industries, is conducting a pilot study on the use of straw for pulp production.

In a report on this idea, it was pointed out that the U.K. could have an indigenous source of paper-making raw material that could replace imported pulp, with a potential saving on balance of payments of £50m.

Such a project would stand or fall on the co-operation of the farming community.

Steep rise in use —and cost— of timber

By Our Commodities Staff

CONSUMPTION OF timber and wood materials in the U.K. rose sharply last year—and so did the cost—according to figures issued by the Timber Trades Federation.

The amount of softwood used jumped from 8.5m. to 9m. cubic metres and hardwood from 1.3m. to 1.4m. cubic metres. Plywood consumption rose by 0.2m. to 1.2m. cubic metres—a record level.

The biggest increase was in particle board, where consumption jumped from 545,000 tons in 1971 to 725,800 tons last year.

Imports account for the bulk of timber used. The cost of imported forest products last year rose to £879m., or 7.9 per cent. of the total import bill. This compared with imports valued at £777m. in 1971.

According to another set of figures—from timber merchants Churchill and Sim—the cost of imported softwoods rose by 24 per cent. in the first half of 1973 compared with the same period in 1972.

This year, it is known, timber prices in the U.K. have accelerated tremendously because of a world shortage of supplies and the lower value of sterling.

HEATHROW COACHES AGAIN

Coach drivers employed by British Airways to ferry passengers between Heathrow Airport and Central London were back at work yesterday after a 10-day stoppage.

The airline decided to withdraw the coach service following industrial action by the drivers in support of an overtime claim. The men have now agreed to resume normal working.

PAPERS BACK TO NORMAL

Following a return-to-work decision by journalists in dispute with management, normal editions of the Western Mail and the South Wales Echo are expected to be published to-day.

The papers, owned by Lord Thomson, had appeared in reduced form for the past 10 days, selling at 1p instead of 4p. Overtime payment was said to be the main issue in dispute.

Sterling certificates at record £5,363.6m.

BY DONALD MACLEAN

ISSUES OF sterling certificates of deposit outstanding rose £112.9m. to a record £5,363.6m. in July, continuing to reverse the fall in April and May.

The expansion was concentrated on the period with less than six months to run, in which there was an increase of £263m. to £3,743.5m.

Secondary market holdings of the certificates were reduced appreciably over the month, however, against the background of a sharp rise in interest rates in which the yield on three-month certificates, for instance, rose from 8¼ per cent. to 11¾ per cent. Secondary dealers reduced their holdings by £135.8m., to £648.3m., with £183.4m. of certificates maturing in their hands.

In spite of the overall contraction in the dealers' holdings, there was a slight increase, of £3.3m. to £41.3m., in the secondary market's holdings of certificates with more than two years to run.

Although the Bank of England Minimum Lending Rate did not rise in August, following the 4 per cent. increase to 11½ per cent. in July, sterling certificate rates again rose sharply last month, with the three-month rate gaining 2¾ per cent. to 14½ per cent.

London dollar certificates of deposit outstanding contracted $66m. in July to $9,016m., with secondary market holdings declining $74.8m. to $265m.

U.K. must look at Ulster link—Callaghan

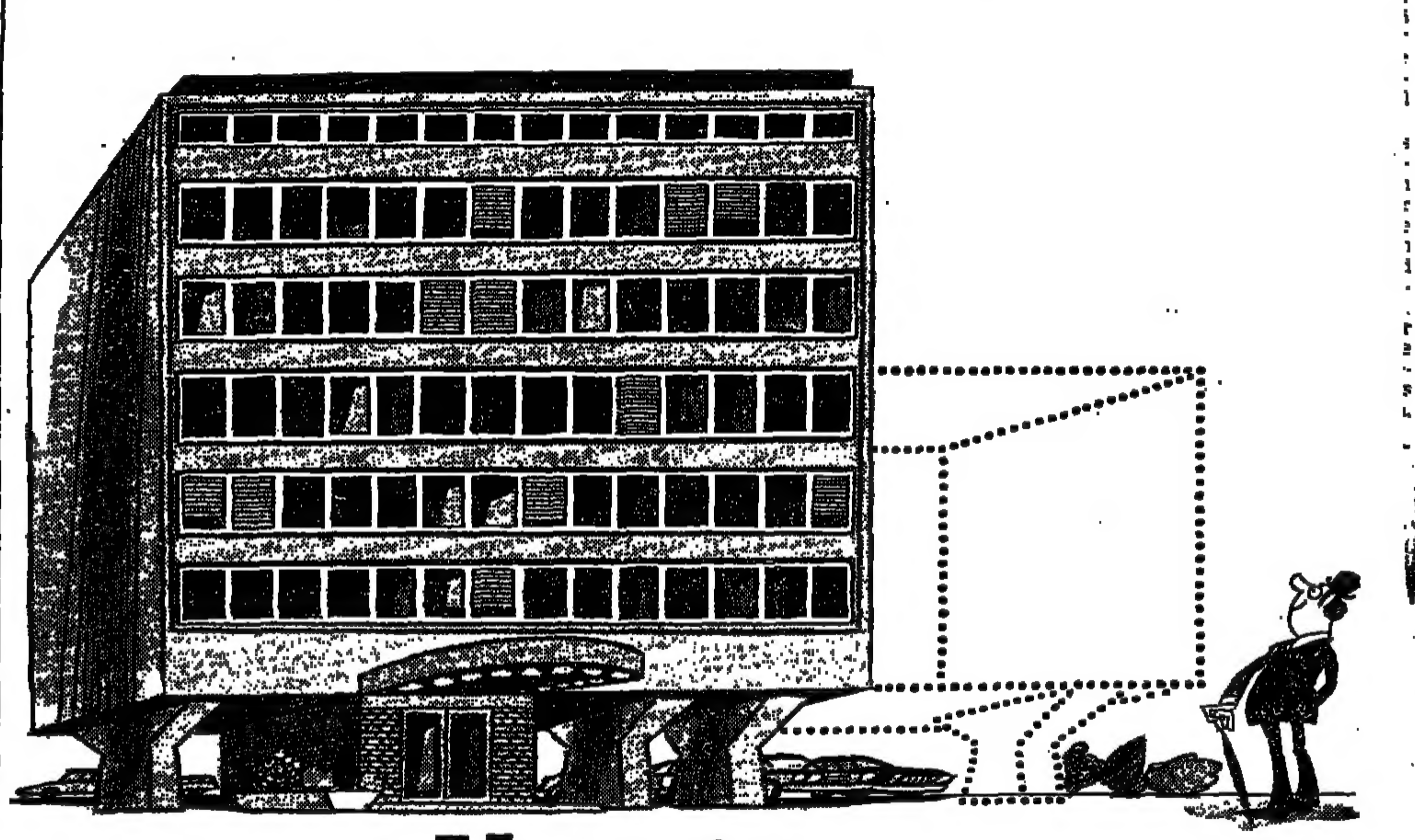
IN AN obvious warning to militant Protestants, Mr. James Callaghan, the former Labour Home Secretary, says that Britain should feel morally free to reconsider her link with Northern Ireland and the provision of troops and cash if the majority deliberately "contract out" by sabotaging the Province's political structure.

"I most strongly hope that such a calamity will not occur," he says in a book, published to-day.

"But Britain cannot be expected to sit patiently and bleed indefinitely if her best efforts face deliberate sabotage by the elected majority of the Province."

Mr. Callaghan accuses the Conservatives of a lack of firm political control—at a critical time—which set the pattern for three years of Ulster bloodshed.

"A House Divided: The Dilemma of Northern Ireland" Collins, £2.50.



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● INSTRUMENTS

Gauging components on the move

MAKERS of parts produced by automatic processes at high speeds have a special problem when it comes to inspecting each part to maintain consistent quality. Manual inspection is becoming prohibitively expensive and can often introduce unacceptable variations in distinguishing faulty from good components.

Following a long study of the problem and possible solutions to it, Associated Engineering Developments, the research and development service organisation of the Associated Engineering group of companies, Cawston House, Cawston, Rugby, has come up with an ingenious high-speed gauging system.

Opto-electronic in design, the equipment permits 100 per cent. inspection of either stationary or moving parts with running costs described as virtually nil.

Based on the use of silicon photodiodes with extremely fast response, and logic circuits selected to recognise and grade geometrical and dimensional features of a component, the equipment operates on the shadow image of the product.

Extremely fine dimensional tolerances can be observed by means of a measuring head which incorporates a pair of light guides coupled to photocells, connected in turn to the logic. This head with its light guides can be rotated on its mounting to allow the gauging range to be set.

The moving object to be gauged may be moving down a slideway and illuminated by parallel light which throws a shadow. For checking one dimension, this moving shadow falls on at least three cells or their light guides, the first of which is the trigger cell establishing the moment of gauging. Further cell pairs are needed for each extra dimension.

The system is particularly suitable for use with shadowgraphs where the basic accuracy of the photocell system is shared by the magnification used. Gauge heads can be fitted into an accurately drilled template in front of the shadowgraph screen, or they can be fitted to adjustable bars with micrometer screws to set the gauging distance.

All the important elements of the system have been designed as building blocks which allow customers to build up the equipment closely to fit their requirements, matching existing conveyors or machine output chutes. They could also build simple manually-loaded inspection fixtures. For the more complex problems, Associated Engineering Developments can design and supply complete equipment to customer specifications.

Already tested on the AED system are rubber sealing rings, cigarettes and pressings, the last for 16 separate features.

Ideal for schools

A PORTABLE electrical indicating instrument designed for school and college laboratory demonstration use has been introduced by Crompton Parkinson Limited, of 50 Marefair, Northampton, NN1 1NY.

The new instrument is a moving-coil universal indicator using standard Nuffield "O" level shunts and multipliers enabling measurements to be taken over a total current range of 1mA to 20A and a voltage range of 100mV to 300V. Connections are made direct to three top-mounted, captive 4mm insulated, socket type terminals with the third terminal being connected directly to the movement for sensitive galvanometer null reading applications.

The movement employs taut-band suspension and the patented Crompton Hi-Q viscous fluid damping system, giving protection against rough handling, vibration and mechanical shock, together with consistent high accuracy over an extended life. It has a clear, 12-inch long scale receiving good illumination over a very wide angle to permit accurate reading at a distance and easy detection of even small changes in the measured quantity.

Overall size of the instrument (excluding terminals) is 210mm high x 213mm wide x 115mm deep.

Crane to make ITT flowmeter

UNDER A licence agreement recently concluded with ITT Barton in California, Crane, of Red Lion Court, London EC4P 4DH, is to make a new type of axial turbine flowmeter called the Series 7000.

The meter is described as a precise, reliable and rugged electromechanical volumetric flowmeter for measuring liquids, including those at cryogenic temperatures, and gases, and is considered by Crane to be the most advanced of its type in the world.

Application is in the continuous process industries for duties within the temperature range minus 450 to plus 1.000 degrees F., and for pressures of up to 50.000 lbs per square inch. Repeatability is claimed to be in the order of plus or minus 0.02 per cent. of reading in the rated linear flow range. The flowmeter has a pressure drop of 4 lbs/square inch at rated maximum flow.

The 7000 has a hydro-dynamic balanced rotor eliminating a need for mechanical thrust bearings. The rotor hub is designed to simultaneously purge and cool the journal sleeve bearings—particularly critical when this flowmeter is applied to cryogens and high-speed gas flow services. Other features of the 7000 include reverse flow measurement without recalibration, linear response over a wide flow range, and an optional explosion proof enclosure for use in hazardous areas.

A general purpose pick-up coil converts rotation of the turbine into an ac signal without direct contact with the turbine moving parts. This signal is used to drive various solid state analogue read-out devices which include a flowrate indicator, a direct reading totaliser, a batch controller; and is suitable for computer interface.

Miniature logger for data

DESIGNED FOR applications requiring unattended operation in hostile environments away from mains electricity, a miniature data logger just introduced by Microdata of Cheltenham Road, Painswick, Glos., is stated to have high reliability as the essential factor in its design.

The basic instrument will run for up to three months off its own internal, rechargeable batteries. A crystal clock initiates scans of up to 12 analogue voltage channels which, after being digitised, are recorded on a simple magnetic tape cassette. The complete logger is housed in a small rugged waterproof box, approximately 15cm x 15cm x 28cm, which may be pumped to prevent condensation, and to ensure that any leaks are outwards.

Special applications may be catered for by means of a signal conditioning unit housed in an identical box to the logger.

● SAFETY

Works when the fat's in the fire

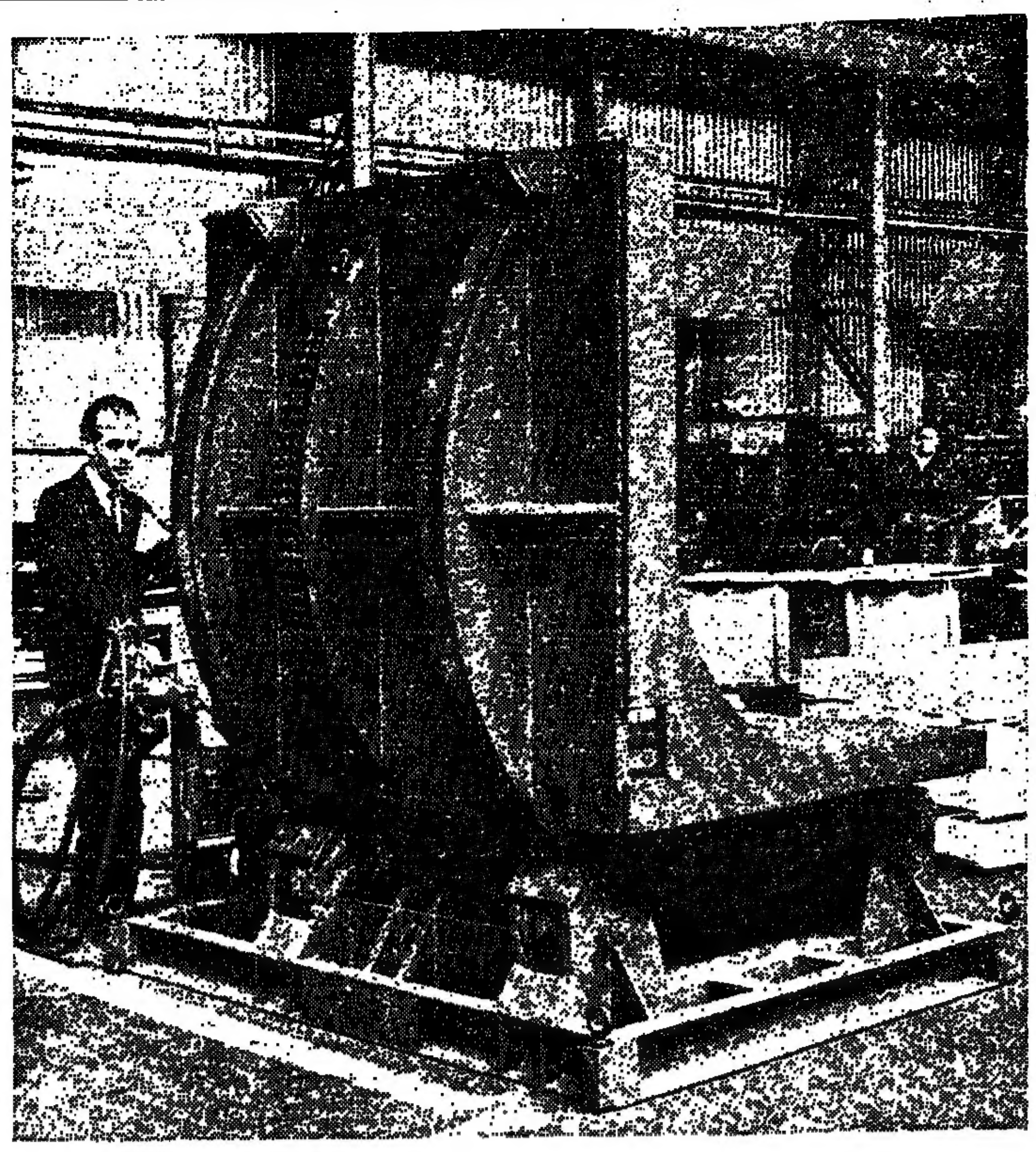
A FIRE extinguishing system using Du Pont "Freon" FE 1301 has been installed at the chain of restaurants operated in the U.K. by Empire Catering. More than 50 Wimpy Houses, 40 Empire Grills, steak bars and speciality restaurants owned by the company have now been equipped.

The system is a development of systems using "Freon" FE 1301 already installed in racing cars, pleasure boats and in electronic communications centres. FE1301, a colourless, virtually odourless liquefied gas, chemically interrupts the combustion process upon release.

A concentration of 5 to 6 per cent. is sufficient to extinguish most fires. Personnel may be exposed to this concentration for 4 to 5 minutes without risk of serious damage to health, it is stated.

The system, manufactured by Intercontinental Equipment Corporation, 6 North Lane, Aldershot, Hants., can be triggered manually or automatically. For automatic operation, a heat sensitive head detects the fire and automatically releases the "Freon" 1301 whether personnel are present or not. A microswitch can be connected to simultaneously shut off electrical supplies, sound a visual or audible warning, or be connected directly to the local fire brigade headquarters.

Manual operation can be fitted with a remote control handle or electrical button to allow the system to be triggered in safety from a spot well away from the fire itself, thus ensuring the safety of kitchen staff.



FHD Construction, of Slough, Bucks, has developed this equipment for rapidly and safely rotating 5-ton reels of coiled metal through 90 degrees to simplify the final coil banding process. The only power source needed is a 50-psi compressed air supply. Controlled by one man, the machine will take the completed cylindrically banded coil —first removed from the winding spindle by a forklift truck—and rotate it through 90 degrees. At this angle the system locks safely into position, enabling the entire lateral banding operation to be completed in a fraction of the normal time; risks associated with this procedure when cranes and hoists are used are eliminated. There is also much less likelihood of damage to the metal on the reel. Once the coil is firmly banded the reel, already positioned for vertical storage, is removed by forklift truck for stacking.

● SHIPPING

European salt water pipe study

BRITISH Ship Research Association, with the support of the Chamber of Shipping (U.K.) and in association with its counterparts in Sweden and Norway, is undertaking a significant research project on the use of lined steel piping for ships' salt water services.

The association is preparing to collate information on experience with such piping. This information could be submitted by both users and suppliers of lined or coated steel piping and also by paint and coating manufacturers themselves.

At present, both galvanised mild steel and copper base alloys are generally used for the piping systems in ships' salt water services. The limited life of the former has to be compared with the higher cost of the latter. Lined or coated steel piping has already been used to a limited extent for specific purposes such as ballast lines and it is considered that a wider application could prove technically and economically attractive.

BSRA would welcome any relevant information from users and manufacturers and, if requested, will treat such information as strictly confidential.

Information should be sent to the British Ship Research Association, Wallsend Research Station, Wallsend, NE28 6UY, Northumberland, marked for the attention of Mr. S. H. Frederick, Head of Materials Section.

Degassing the tanks en route

BEFORE a tanker goes into dry dock it is essential that, in order to eliminate fire she should be freed from gas; this can be a time-consuming job. To meet this problem, Gamlen Chemical Company (U.K.), of Uxbridge, Middlesex, arranges to do the work on passage, supplying the chemical required and providing a Gamlen engineer to supervise the whole operation thus avoiding loss of sea-time and high dock charges.

Among ships treated in this way recently were the tanker Southern Empress, of 63.715 tons dw owned by the Empress Shipping Company, of Monrovia, and the World Guardian, of 47,468 tons dw owned by the Gentry Shipping Company, also of Monrovia.

The chemical used was Gamlen tank solvent "40." This can be applied by the injection method or by utilising a slop tank system of closed circuit chemical cleaning.

Automatic spraying of primers

FURTHER development of automatic spraying plants to permit application of prefabrication primer to ships' plates and sections has been made by Aeraspray Engineering Company, the spray finishing subsidiary of Batchelor Robinson.

These units are to be used in conjunction with conveyorised shot-blasting cabinets and to cope with the higher production speeds now being demanded by ship builders.

Sensing systems detect the width of the plate or section to be sprayed and automatically trigger the spray guns mounted above and below the conveyor. These guns are continually traversing the track at speeds up to 300 feet per minute with paint supplied to them by a recirculating airless system capable of outputs between three and five gallons a minute. On the more sophisticated plant, detection systems are incorporated which automatically adjust the height of the top guns to allow various section sizes to be processed and allow both plates and sections to pass through the one unit.

The company has also developed a cheaper semi-automatic plant for use in the structural steel industry, where production runs are shorter. These are designed to allow one-man operation of conveyor, shot blast and paint spray, but are without the elaborate sensing mechanism, and the actual triggering of the spray gun is done manually.

Further details from Aeraspray Engineering at 179, Thimble Mill Lane, Birmingham B7 5HS.

Ductile pipe for tankers

THERE IS a growing tendency for shipbuilders to use ductile iron piping, particularly on tankers, both large and small. Substantial orders placed recently by Harland and Wolff with Stanton and Staveley call for a total of 1.055 tonnes of ductile iron piping of various diameters for use not only in the cargo-pumping systems of four 313,000 tonne tankers for Shell International Marine but for what might be termed standard ships' piping in three 117.000 tonne bulk carriers for Norwegian Bulk Carriers of Oslo.

Use of ductile iron pipes in the bulk carriers is of particular interest as they have been specified to meet the stringent requirements laid down by the Norwegian Registration Society.

Manufactured by the centrifugal casting process from a melt containing a magnesium alloy to give a modular graphite formation, ductile iron pipes are immensely strong. They have a marked degree of ductility and are, therefore, a natural choice for tankers, particularly for deck piping, as their inherent strength renders them virtually free from damage during construction while the ductility enables them to accommodate the bending stresses imposed by hogging and sagging. They are highly resistant to corrosion but cost approximately the same as grey iron pipes which for equal strengths are considerably heavier.

On most of the vessels the ductile iron pipes will be joined by Victaulic's Viking Johnson couplings which are easily assembled and will accommodate movements of the pipework caused by the vessel's progress through the water.

Dutch get big dredger contract

IHC HOLLAND has signed a contract in Peking for the delivery to the China National Machinery Import and Export Corporation of ten trailing-suction hopper dredgers, each with a hopper capacity of 1,500 cubic metres. The order is valued at about 140m. guilders. The vessels are required to be delivered in the course of 1975.

Each of the dredgers will be propelled by two 1,680 hp Smit-Bolnes diesel engines. This is the largest single order ever placed for dredging plant with IHC Holland. Eight of the vessels will be built by yards outside the IHC Holland Group. Three will be sub-contracted to Scheepswerf-en Machinefabriek "De Biesbosch-Dordrecht," three to A. Vuyk en Zonen's Scheepswerven in Capelle a/d IJssel and two to Scheewpswerf-en Machinefabriek IJsselwerf in Rotterdam.

● HANDLING

Controller for cranes

A THYRISTOR-BASED drive for AC cranes using slipring induction motors has been announced by Brookhirst Igranic, of Elstow Road, Bedford. It is suitable for crane applications where precise speed control is essential for hoist or traction.

A fully controlled three-phase inverse parallel thyristor unit, connected in the stator circuit of the motor, operates in conjunction with a permanent magnet d.c. tachogenerator to provide a feed back to the motor. This ensures precise speed control, irrespective of load conditions and supply fluctuations.

Torque direction is selected automatically by stator reversal contactors which are switched at zero current under the control of a torque polarity signal. This feature provides automatic and rapid changeover from motoring to plugging when running at any speed under closed loop control.

● CONFERENCES

Testing and treating surfaces

ENGINEERS representing ... world's major aerospace ... panies, airlines and military ... tion meet to-morrow for ... days at the Berystede H... Ascot, to hear of the latest ... velopments in surface treatm... and non-destructive testing ... tems.

Brent Chemicals Internati... of Brentford, Middlesex, ... associates in France, Germ... Spain, Italy, Belgium, S... Africa, Canada and Australia ... called the meeting.

It specialises in the ... destructive testing (NDT) ... which is particularly impo... to safety in the air as we... to satisfactory operation o... dustrial machinery.

Sixteen papers will be giv... the three days including "... mated Processing in Pene... Inspection," by Mr. D. R. R... of Rolls-Royce 1971, "Treat... of Corrosion on Airframes ... Mr. K. Allan of BOAC, "Chemical Processes in Engine Overhaul," by D... Simon of Motoren und Tur... Union.

The Rolls-Royce paper ... valuable guidance on the u... automated penetrant equi... and makes the point that ... the best such units do no... pense the user from the hi... standards of cleanliness o... components prior to pen... application. It describes ... ence with parallel use of ... and machine-processing.

BOAC experience in ai... maintenance, including dete... prevention and repair of ... sion makes fascinating re... Spillage of chemicals in ai... is a particularly thorny pro... both as to identification and ... ping up. Mercury prese... particularly tricky case an... company has developed it... kit to cope with such acc... to recovery of the liquid ... This would normally be fol... by radiography if there we... slightest suspicion of corr...

● SERVICES

Solder uni... allows wir... wrapping

A SERVICE has just ... announced by Teradyne ... ponents of Nuffield ... Cambridge, in which pr... circuit edge connectors c... mounted on to a double-sid... through-plated mother boa... any size or pattern specifi... the customer. Connector ... can be 0.1, 0.125, or 0.150 i...

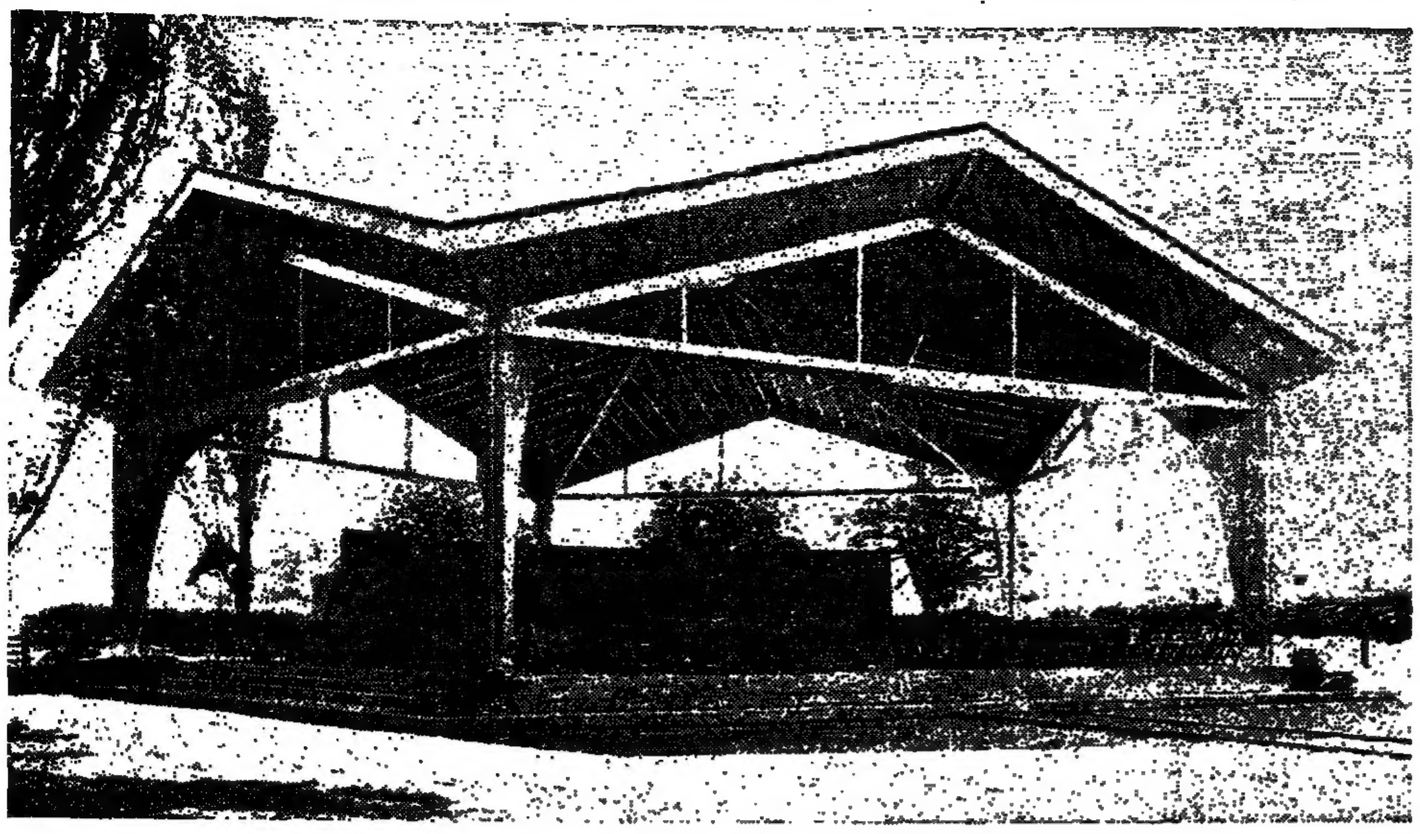
A major feature of this s... is the use of a new techniq... reflow solder the connector ... on to the p.c. board wi... applying the solder exter... The result of this is tha... connecting joint that is ... only has solder localised a... the area immediately close ... board and the pin.

Thus the surface of the ... tail remains gold plated, ... allows the pins to be ful... semi-automatically wire-wr... with significant cost savings ... company believes it is the ... one able to offer such a se... which is undertaken at ... moment only at the comp... plant in the U.S. When de... in Europe reaches a suffi... level the facility will be ... available at the Cambridge pl... Currently, a six to eight ... delivery period is offered ... receipt of a finalised desig... a proven board.

The total process time ... solder all the connector pin... a p.c. board of up to 2 ... 6 inches by 2 feet 6 inche... only 60 minutes. This ... includes the complete cycle ... preparation. Such a board w... be likely to contain some 4... individual pins which by h... soldering methods, where ... maximum rate is around 1... connections an hour, would ... about 4½ hours.

As well as the result ... reduced costs, it is possible ... build many other items such ... front power bussing on to ... board instead of using a m... backplane. Thus, everything ... can have on a metal backpl... is offered on a motherboa... says Teradyne.

Building and Civil Engineering



At least 2,500 pilgrims can gather in the open round this open-sided pentagonal church at the RC Pilgrimage Centre, Houghton St. Giles, Walsingham, Norfolk. The unusual-shaped structural frame is in laminated glued timber and was designed, manufactured and erected by Rainham Timber Engineering Company. When completed, the church will have three open sides with a chapel and robing rooms at the rear.

Restoring a riverside building

SIR ROBERT McALPINE and Sons is to restore and extend Hibernia Chambers, immediately upstream from London Bridge on the South Bank, at a cost of £1.25m.

The existing Chambers are a listed building and the exterior will be renovated to its original appearance, while inside, work will include replacement of defective timber floors with precast concrete plank flooring carried on heavy steel beams.

The work, for the Amalgamated Investment and Property Company, in conjunction with Argyle Securities, is about to start.

The stone steps leading from London Bridge to Montague Close—where Charles Dickens in "Oliver Twist" had Bill Sykes meet the ill-fated Nancy—are to remain, but, of greater importance, Southwark Cathedral will once more be visible from the North Bank of the Thames with the demolition of old warehouses as part of the development.

Lancashire work for Cubitts

FOUR CONTRACTS with a combined value of £2.3m. for local authorities have been awarded to Holland, Hannen and Cubitts (North West).

The largest job, worth £1.3m., is for the modernisation of a further 100 council dwellings at Rochdale in addition to the 300 already being done. Under a £407,000 contract, 72 old people's flats in 36 two-storey units are to be built using the Cubitts System for the Borough of Accrington, while a cleansing and transport depot is to be constructed at a cost of £420,000 for Burnley County Borough Council.

Meanwhile, the company's Scottish office has won two contracts—£277,000 for extensions to Newlands Secondary School in Blyth for Northumberland County Council, and revitalising a further 46 homes on St. Aiden's estate, New Herrington, for Houghton-le-Spring U.D.C.

Police HQ at Wrexham

A £775,000 contract has been awarded to John Laing Construction for a divisional police headquarters in North Wales, at Wrexham, serving an area of 600 square miles.

The complex includes administrative offices and a comprehensively equipped operations room able to call upon the services of a modern photographic suite, a new traffic control section and a computer terminal.

The building, which consists of a 14-storey tower block rising through a five-storey podium, allows for a link with the planned adjacent magistrates courts within the Wrexham civic centre.

CONSTRUCTION OVERSEAS

John Howard sets sights on Africa

FOR JOHN Howard, 60 per cent. of whose work is currently overseas, knowing when to get out of a particular country is as important as deciding when to go in.

A case in point occurred in a developing African country. Competition from East European countries with State agencies out for hard currency rather than profits combined with an element of "political preference" by the Government led to a heavy reduction in John Howard activity there.

The decision is often difficult, especially if the company happens to be making money in the particular country at the time, but it is usually taken on the basis of general working conditions for European companies.

John Howard, whose first job in 1927 was a £100 jetty in Poole, started overseas work in the '30s and since then has worked in almost every continent. Despite the company's high proportion of turnover generated overseas, a solid home market is regarded as vital; on the other hand, a bad year in the U.K. can be cushioned by overseas activities.

Although it became known over the years as a marine contractor, John Howard did not in fact put all its eggs in one basket and now carries out all types of civil engineering work, both in the U.K. and overseas. In addition it carries out building works overseas, including airport terminals, office blocks and hotels.

Being essentially a family company of medium size, it has forthright views on methods of operation and a proud belief in the importance of a small executive Board working together. Most of the senior management has worked overseas and understands how trying it can be when problems crop up in a tropical climate and London is breathing down one's neck for vital information.

Healthy future

The company's two major geographical locations at present are the Arabian Gulf, where, unlike some other U.K. contractors working in the area, John Howard tries to avoid a particular attachment to any one State; and Africa, where, although conditions can be difficult, the company sees a healthy future across West (particularly) Central and East and South-east Africa.

From what has been said already, it is perhaps not surprising that John Howard has a distinct dislike of "permanent offices" in a country. In an ever-changing political and economic climate, flexibility is essential.

None the less, the company will create an organisation in an area which has potential, for example Nigeria. A subsidiary company which is 40 per cent. owned locally and has a Nigerian chairman recently won what is claimed to be the largest office project in Black Africa—the £11.9m. Secretariat buildings for the Federal Government.

In the Gulf, John Howard admits to increasing competition from Arab contractors themselves apart from many successful joint ventures carried out with Arab companies. However, with the company's policy of training locals to become skilled artisans wherever it operates, this is not unexpected.

A major problem encountered in overseas work is to ensure that U.K. supplies of essential materials are delivered on time. The U.K. is notoriously bad at this and with the current materials shortages, John Howard is forced to look to alternative markets, whether from the Continent, North America, South Africa or the Far East.

Another difficulty is with personnel. Although no overall shortage of staff ready to take assignments abroad is reported, the company believes that there is less of the pioneering spirit in that people are increasingly selective about which countries they are or are not prepared to work in.

Feeding back information to head office from the territories in which the company is operating is clearly an integral part of the decision-making process. Despite the sophistication of communications, John Howard still experiences problems in this sphere.

Planning hazards

Forward planning is traditionally a hazardous operation in the construction industry and John Howard is no exception. The volatile nature of developing countries' economies means that official plans for development expenditure can be altered at short notice, and even then, it is never certain what the competition will be for that slice of the cake; in general, the company dislikes a long tender list. Another forecasting difficulty is the frequent uncertainty over when an overseas project will be given the final go-ahead.

Creating demand

A novel feature of John Howard's advance thinking is to try and generate a demand for a project which the company believes would be in the interest of a developing country to proceed with, for example a cement or a steel works. A foreign construction company, it feels, is in a good position to have a comprehensive view of the particular country's needs.

The company has especially strong opinions about the inadequate help proffered to British contractors in their overseas work by the Government. While admitting that the situation has improved over the past few years, John Howard insists that U.K. embassies could do a lot more to help in negotiations with foreign governments.

While not afraid of competition, the company prefers to be the only British contractor in the running for a job because then strong official help from the embassy is more readily available.

More information and communication is called for and the company points to one country whose embassies are virtually negotiating departments for national construction concerns.

JOHN DARLINGTON

Window guide

THE RESEARCH and Development Division of Crittall-Hope has produced a Guide intended to simplify the specification of performance requirements for windows.

The guide for architects and designers eliminates the need to do the normal calculations to ascertain wind pressures and the required grading. The answers can be read directly off maps and charts.

The design wind pressure for any structure is determined by locating the site on the basic wind speed chart and selecting the design wind pressure according to the basic wind speed zone, the height of the building and four ground roughness categories.

The Guide is available at 50p from Crittall-Hope, Manor Works, Braintree, Essex CM7 6PH.

Caters for many beasts

A CATTLE weighbridge designed to pass through an opening only 6 feet square has been installed in the cattle ring building at Thornbury Cattle Market, Thornbury, Glos.

Designed and built by the Ashworth Ross Division of W and T Avery of Dewsbury, this unit is said to have brought about a considerable increase in business for livestock auctioneer H.E.F. Morris and Co. of Thornbury.

The problems facing Ashworth Ross were that the only access to the cattle ring was through a 6 feet square door and that the headroom and width inside were restricted. A special weighbridge built from components small enough to pass through the opening, yet big enough to cater for a large number of beasts at one time had to be designed.

The assembled weighbridge has a platform size of 12 feet by 8 feet and a capacity of 6,000 kg.

Taywood in Australia

TAYLOR WOODROW International has been appointed main contractor for a new £3m. entertainment centre to be built in the heart of Perth, Western Australia.

A circular building 360 feet in diameter incorporating an air-conditioned stadium to seat nearly 8,000, two cinemas, a tavern and a restaurant, it will occupy a site of nearly 1.5 hectares. The interior is designed for ready conversion from a conventional theatre to an arena suitable for circuses and sporting events.

The Taylor Woodrow contract is valued at £1.9m. and work is due for completion by the end of July next year with the opening of the centre programmed for one month later. Architects are Hobbs Winning Leighton and Partners and consulting engineers P. G. Airey and Associates.

Other work in the country includes an £800,000 contract for the construction of a stores complex at Garden Island, Western Australia, for the Commonwealth Department of Works. Garden Island is linked to the mainland with a multi-million dollar causeway and bridges complex being completed by Taylor Woodrow International.

The company is also building four steel bridges up to 200 feet long on the Mt. Newman Ore Railway for the Mt. Newman Mining Company under a £170,000 contract.

Improving trunk road

CEMENTATION Construction is to carry out £700,000 worth of improvements to the A56 trunk road at Chester Road, Stretford, between Barton Road and Derbyshire Lane for the Borough Council.

The road is to be widened to provide a dual carriageway for a distance of three-quarters of a mile and additional works will include up to two miles of surface water sewers, bus lay-bys, alteration to traffic signal installations and the provision of a new "pelican" crossing.

Grandstand for Burnley

SIR ALFRED McALPINE and Son is to build a new £240,000 grandstand seating 3,000 for Burnley Football Club at Turf Moor.

The grandstand will be covered and constructed with a concrete framed structure, precast concrete seat terracing, asbestos cement roof decking and emergency lighting.

Conference on safety

THE FIRST Joint Construction Safety Conference, organised by the National Federation of Building Trades Employers and the Federation of Civil Engineering Contractors, is to be held in London on October 2.

The conference will take place at the NFBTE's new conference centre at 20, Duchess Mews, W.1, beginning at 10.30 a.m. The programme has been arranged to allow the maximum time for discussion and will incorporate the following topics: "Health Hazards in the Construction Industry" by Audrey Pittom (Deputy Chief Inspector of Factories), "Falsework" by Hari Amin (Temporary Works Design Engineer, Sir Robert McAlpine and Sons) and "Site Transport" by Newton Forrest (Chief Safety Officer, George Wimpey).

The conference fee is £15 and bookings are now being accepted by Miss Maureen O'Toole, Building Advisory Service, 18, Mansfield Street, London W1M 9FG.

Bus station complex

THE COUNTY Borough of Northampton has awarded a £5m. contract to Kyle Stewart (Contractors) for the development of an island site in the city to include a bus station, car park and offices.

The scheme has been designed by Arup Associates, and the bus station will serve both local and long distance bus companies. Access to the bus station will be via subways and an underground concourse containing a cafeteria, booking office and toilets.

The contract is due to start this month and is scheduled for completion in 1976.

Protecting steel from fire

WILLIAM KENYON and Sons has received an order to supply fire-protective cladding for a new town centre project at East Kilbride, Scotland.

Some 80,000 square feet of Vicuclad board will be required by Bovis Construction—management contractor for the project—to protect structural steelwork in the centre against possible fire damage.

The order was secured by Building Products of Renton, Dumbartonshire, which has recently been appointed as marketing agents for Vicuclad products in Scotland.

Standing up to the pressure

THE FIRST of the 10 prestressed concrete pressure vessels now under construction in the U.K. in nuclear power stations of the advanced gas cooled reactor type has been successfully tested at the Hinkley Point B installation in Somerset.

A proof pressure of 709 psig was exerted, 26 per cent. above maximum working pressure and the strain gauges indicated behaviour exactly as predicted by Sir Robert McAlpine and Sons, the vessel's designer and constructor.

Mechanical testing of all other reactor components is now taking place at Hinkley Point and fuel loading of the station becomes feasible by the end of this year.

The tested pressure vessel is one of two at Hinkley Point B, the main contractor for which is the Nuclear Power Group. Development of these and two similar vessels nearing completion at Hunterston B power station in Scotland stems from the first of their type in this country installed at Oldbury, Glos., by McAlpine and TPNG and operational since 1968.

IN BRIEF

G. PERCY TRENTHAM has been awarded a £2.3m. contract for sewage works, including a pumping station, by the County Borough of Newport at Nash Road, Uskmouth, Monmouthshire.

A NEW booklet explaining the role of builders' merchants has been published by the National Federation of Builders' and Plumbers' Merchants. The 24-page booklet outlines their activities and the importance of their functions to the building industry and the national economy.

IN THE last five years, more than 20 miles of Bailey bridging has been sold by Mabey and Johnson, the manufacturers, to 39 countries in the six continents—a total of more than 1,000 complete bridges, ranging in length from 40 ft. to 430 ft.

JOHN HOWARD and Company (Northern) has won a £1.75m. contract at the Parr Water Pollution Control Works from the County Borough of St. Helens. The work comprises the demolition and removal of storm water tanks and temporary sludge lagoons.

INSULATED Buildings is to build a £38,000 nursery school at Wolverhampton in 26 weeks using a system superstructure manufactured by Secometric, of Wickford, Essex.

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MONDAY SEPTEMBER 3 1973

House building finance

FRIDAY'S meeting between representatives of the Treasury and the Building Societies Association seems to have been little more than a formal acknowledgement by both sides of public concern about the prospective cost and adequacy of mortgage finance. A meeting with the Chancellor of the Exchequer is likely before the Council of the Association meets in the middle of this month, faced with the necessity (unless something turns up in the meantime) of recommending yet another increase in mortgage rates.

The general rise in U.K. short-term interest rates reflects an international trend which the Government has felt obliged to follow for fear of a further drop in the exchange value of sterling. It is certainly arguable that the Government should seek to reverse this international trend by agreement at the coming meeting of the International Monetary Fund and to reduce the impact on domestic rates which it has itself produced by running a large public sector deficit at a time of high business activity. Yet the building societies are probably concerned less about these wider issues than about the immediate difficulties which they raise for present and prospective house-buyers.

Sensitive issue

These difficulties have undoubtedly been exaggerated. The sharp drop in the net inflow of funds during August (which followed a surprisingly buoyant inflow during the previous month) was largely due to seasonal factors. The real effect of competition between banks and building societies for deposits has yet to be seen or assessed. Talk of a 14 per cent. mortgage rate seems to be a flamboyant bid for publicity which not only embarrasses the majority of building society managers but may well aggravate the situation by encouraging some depositors to transfer their funds elsewhere.

Yet disquiet is understandable enough. Any further rise in mortgage rates is bound to cause hardship to many house-buyers, not least those who bought while prices were still soaring. It is certain to be accompanied by even more severe rationing of new mortgage loans than already exists and so to a check in the spread of owner-occupation. Even more serious, from the long-term point of view, it will intensify the drop in private housebuilding which has already begun and prolong the shortage of private houses for sale. The Government, which has already shown itself sensitive to increased mortgage costs and to the need for evening-out the flow of mortgage funds, will find it difficult now simply to wash its hands of the problem by blaming it on international circumstances beyond domestic control.

Credit control

There are certain obvious objections to renewal of the previous subsidy, apart from the fact that its temporary nature was repeatedly stressed. The first is that it gave special help to people who already enjoy several useful tax advantages, the value of which increases with income. The second, more important to many building society managers, is that increased Government intervention in the private housing market will almost certainly lead to increased Government control.

But this may be inevitabe in any case if the Government is to develop a coherent housebuilding policy and ensure that there is a better correlation between the supply of houses available for sale and the volume of finance available for house-purchase. Intervention of a significant kind will take place if, as has been widely suggested, the Government now makes use of the provision in the scheme for Competition and Credit Control which allows it to discourage the banks from competing too vigorously for small savings. If it makes an exception, here, moreover, similar—though perhaps politically less forceful—arguments can be adduced for making exceptions elsewhere and making further use of another provision which allows for qualitative directives about bank lending. The latest rise in interest rates, coming just as the Phase Three talks are approaching a critical stage, has helped to put the whole new system of credit control under question.

After the Libyan oil take-over

COLONEL Khedaffi's decision to nationalise 51 per cent. of the six remaining independent producing companies in Libya was not unexpected. BP's assets were nationalised in 1971, Bunker Hunt was nationalised in July, and the government took control of Occidental last month. The six companies were given until Friday to agree to terms similar to those imposed on Occidental. They did not agree, and the Libyan Government enacted the take-over by decree.

For Colonel Khedaffi, the take-over serves a double purpose. As a gesture of anti-Western nationalism it reinforces his position as one of the strong men of the Arab world, while it offsets his failure to persuade President Sadat to move ahead immediately with the merger of Egypt and Libya. It should also be advantageous on financial grounds, since the companies are being asked to pay more heavily for the oil they take out of the country.

Repercussions

As far as consumers in the West are concerned, the most worrying aspect of the Libyan move is not the take-over itself, but the repercussions it could have in other oil-producing countries in the Middle East. The Gulf states have already set the precedent for partial nationalisation, in the agreements under which they will gradually take over a majority of the producing companies. But the Libyan move goes beyond these participation agreements in three important respects: the acquisition of majority control is immediate, not progressive: compensation will be on book value, not up-dated value: and the buy-back price for the crude is almost twice that agreed with the Gulf states.

In the circumstances, it is perhaps understandable that one of the first unofficial reactions in Washington yesterday was that the U.S. would embark on a sanctions campaign, by trying to organise a boycott of Libyan oil exports by the principal consuming countries. On second thoughts, the Americans seem to be taking a more muted line.

Germany, Italy and Britain together account for a large proportion of Libya's oil exports, and a concerted boycott by them might seriously reduce Libyan oil revenues—for a time. But oil is a seller's market now. and will become more of a seller's market in future: faced with the choice between an oil shortage and expensive oil, it can be assumed that the consuming countries will prefer to pay more for their oil so long as they can afford to do so.

Supplies

What is more the possibility that the Arab oil producing countries may themselves start to consider restricting supplies cannot be ruled out. The unfettered growth of world demand would give them far more revenue than they could easily spend on domestic development, and in that sense they do not need the money. More importantly, there is pressure in the Arab world to use oil as a negotiating counter with the consuming countries, so as to undermine support for Israel. Last week King Feisal of Saudi Arabia warned the Arab world against using oil as a weapon against the West, since it would only hurt Europe and Japan, whereas the U.S. is still relatively free from dependence on Middle East oil. But the following day he warned the U.S. that its pro-Israeli policy risked putting Saudi Arabia in an impossible position vis-a-vis its Arab neighbours.

James Ensor, recently in the U.S., describes the ever-growing appetite for small but luxury cars —and Ford's hopes for its new Mustang

Detroit's latest answer to the 'European car'

The Mustang Ghia, top of the new line. "The American love affair with large cars seems to be over."

"WE DIDN'T predict the fuel shortage—that was just luck. I think the starting point was inflation. The Mustang had become expensive and heavy and we had 3m. owners out there in the market. We had left the market behind—they didn't leave us. We started with the Ghia, the concept of high luxury in a little package. I put that first: I think that's going to be the big trend." Lee Iacocca, the President of Ford Motor Company, was reminiscing about the birth of the Ford Mustang II, the small sporty car with which Ford expects to gain a considerable market initiative over its rivals in 1974.

The timing of the launch of the Mustang II—as much by luck as by shrewd judgment, Iacocca admits—is almost perfect. Americans have become enormously concerned about the country's looming fuel shortage, which has already led to dry filling stations in some isolated parts of the country, and which many think may eventually lead to fuel rationing.

Fears of fuel shortages

Although cars account for only a relatively insignificant 13 per cent. of America's energy usage, the American public has reacted to fears about growing fuel shortages by questioning the need for huge, petrol-gulping cars.

For years, intellectual Americans on the West and East coasts, have been turning away from the eight-litre, six-seater, 25ft. American cars in favour of cars of a size more comparable with those in Europe. This trend led to a growing surge of imports, first of Volkswagen Beetles and more recently of Datsuns and Toyotas, into the more upper class communities, particularly in California and New York State. The American industry reacted by producing its own sub-compact cars, similar in size, though not in engine capacity, to the Beetle. The Chevrolet Vega, Ford Pinto and American Motors' Gremlin have all sold strongly.

As Iacocca remarks, "We can sell every Pinto we make and there are no dealer stocks. We now come up against the energy problem and the big swing to sub-compacts." Indeed, Ford's small car plants are straining to turn out every car that they can make, with maximum overtime while the plants building large cars are working well below capacity.

The trend towards small cars, which started in a small way in the smart suburbs of New York, Los Angeles and San Francisco, has swept across Middle America, with a rapidity that seems to have taken most people in Detroit by surprise. At first, the small car boom was limited, largely to two-car families. The wives bought Beetles or Pintos for the shopping and school trips, while the husband took the Oldsmobile to work. But the energy crisis, coupled with growing social acceptability of small cars, has persuaded many Americans to make a Maverick or Pinto the first car in the family, too.

The traditional American love affair with large cars is over at last. The status of an American is no longer related to the length of the hood of his car or the number of horsepower under it. Indeed, a certain reverse snobbery has built up in certain parts of the country, where it has become more acceptable to be seen driving a small car than a large one.

The respectability of the small car, fears of fuel shortages and canny marketing have combined to persuade Americans to buy more than ever before. Iacocca predicts that small cars, which to-day account for 45 per cent. of U.S. car sales, will take 50 per cent. of the market within the next couple of years.

Imports, which have surged up to take 16 per cent. of the market, are likely to stay there despite the fact that they are often now more expensive than comparable native models. As Iacocca expresses it, in the colourful language beloved of the Detroit automotive mogul, "The Beetle now costs $50 more than the Pinto, and yet they still go on selling more and more, not dramatically so but little by little. That proves to me there must be a shortage of small cars in America—unless money is just going out of style."

Iacocca expresses fears that despite the introduction of the Mustang II, which is 19 inches smaller than the 1973 Mustang, and increased production of Pintos and Mavericks, the American industry may not be able to keep up with the rapid swing in the market. "If we can't respond quickly enough to demand for small cars—that may lead to Japanese cars coming in." Ford is planning "all-out overtime" at its small car plants. throughout 1974, switching its Wayne, Michigan, and Chicago assembly plants from large cars to small and allocating its entire large plant at Dearborn to the new Mustang in an effort to keep up with demand. Its engine plants at Dagenham and Cologne will be working flat out to make up the shortage of small engines which Ford now faces in America.

U.S. SMALL CAR MARKET

First six months, 1973

Ford Pinto	277,000
Volkswagen Beetle	258,000
GM Vega	257,000
GM Nova	186,000
Chrysler Valiant	181,000
Toyota	164,000
Ford Maverick	157,000
Chrysler Dart	132,000
Datsun	126,000
American Motors Hornet	71,000
Ford Capri	68,000
American Motors Gremlin	68,000
Mazda	65,000
GM Opel	44,000
GM Ventura	44,000
British Leyland	38,000
Fiat	33,000
Volvo	31,000

The Mustang II, a car of distinctly European flavour, styled by Ghia of Turin, which Ford bought out last year, offering a German V6 engine as one of its options and featuring such European refinements as rack-and-pinion steering, disc brakes and steel-braced radial tyres, promises to be the most successful new car since the original Mustang. Iacocca himself was largely responsible for the conception of the original, a sporty compact car launched in 1964. Henry Ford II at first had been dubious about the concept, but Iacocca resorted to a brilliant theatrical trick to persuade him. He lined up every General Motors model in the car park outside the styling studio and opposite each placed the corresponding Ford model. Opposite the Corvair, GM's small sporty car, there was a blank space.

The Mustang virtually created a new market sector in America, "the sporty compact." It stole a march over both General Motors and Chrysler who took three years to respond with a competitor. On its launch week-end some 4m. Americans crammed into Ford dealerships to see the new car. Sales established a new record, of 400,000 in the first year, the highest figure recorded for a new car anywhere in the world —which still stands. Three million Mustangs have since been sold, some 30,000 of them in Europe, making it the only American car since the war to establish itself as a glamour car among Europeans.

Cheap and basic

The Dearborn plant is geared up to produce 400,000 Mustang IIs next year, and although nobody will express the view publicly, I suspect that Ford has high hopes that the car will eclipse the Mustang's 10-year-old record. If it does, it will, like its famous precursor, establish a new theme in the American car market.

Until now, small American cars have always been cheap and basic models. The Pinto and the Vega, designed to compete with the Beetle, are basic cars with an interior trim that is almost as spartan and bare as the German car. Profit margins had to be shaved very fine to match Volkswagen's prices—though Mark revaluations have subsequently eased the position. Pintos were produced, mostly without all the optional extras that make the American motor industry so profitable. It is a car designed to arrest imports, not to make money.

The Mustang II is a very different type of car. Although prices are still being argued with the U.S. Price Commission, it is unlikely to cost much less in its more luxurious versions than full-sized American cars. As Iacocca remarks, smiling in anticipation, "the Ghia model—the top-of-the-line car — will be heavy with air - conditioning, automatic transmission and luxury trim. It will cost at least $500 more than the base model. Those kind of cars are really profitable."

Ford, in short, has discovered how to prevent the equation, "little cars equals little profits" from coming true. Since the optional extras such as air-conditioning, power steering, automatic transmission and stereo tape players are priced just as highly on a small car as on a large, provided you can persuade the market to buy luxury small cars, they can earn good profits.

Of course, this truism has been well known at Mercedes-Benz and Jaguar for years. European luxury cars are, by American standards, small but their production has been extremely profitable, thanks to the willingness of Europeans to pay high prices for their prestige. But in Detroit, prestige and size have been equated for so long that the automotive executives had to perform a mental somersault to appreciate it.

Ford which, thanks to the brilliant influence of Iacocca, has been far the most innovative of the "Big Three" American companies in the past decade, is the first to produce a small, American luxury car. Its thinking has been influenced by the European Capri, which has succeeded far beyond Ford's expectations with young Americans, who have been attracted by the image of "the sporty European."

Ford has also paid much more attention to the quality [of] external and internal [of the] new Mustang. The app[arent] tinnyness of some Ame[rican] cars and their rather sho[ddy] has begun to worry buyers [who] in the past, have been content to buy a new car [every] two years. As Iacocca p[uts it]: "We have been forced to [move] towards European standa[rds of] quality — we are now th[inking] in the Mercedes, For[d] Germany, Volkswagen tr[adition] and we have, for ex[ample] added 30 per cent. more to the new Mustang."

The European influe[nce is] penetrating deeply int[o the] American industry and n[ot only] in such items as steerin[g, sus]pension, tyres and [...] General Motors has re[tained] the small British engin[e con]cern Cosworth—which [helped] Ford to develop its Gra[nd Prix] engine—to build high p[erform]ance engines for the Ch[evrolet] Vega. The Cosworth [Vega,] which can be regarded [as a] response to the Must[ang,] offers European-style p[erform]ance from a small-engin[e car] as a counter to Ford's luxury in the Mustang.

Premium market

Later, General Moto[rs will] offer high-priced [Wankel] engined options on the V[ega and] Camaro models, thus i[ntroduc]ing another European [innova]tion to America. GM expects the smoothness [of the] Wankel to create a p[remium] market for its small c[ars, just] as Ford expects the lux[ury] engineering features [of the] Mustang II to persuade [buyers] to pay a higher price.

The two great riva[ls have] thus apparently diver[ged in] their view of the develop[ment of] the American small car —GM backing the Wank[el and] the overhead camshaft [...] plus Ghia. But each [is] watching the other's figures with a hawk-li[ke vigil]ance.

The race between [the two] philosophies—Wankel [and] Ghia—promises to provi[de one] of the fascination of [the] marketing battle in 197[4.] Whichever way the pr[ovebial] American cookie cr[umbles] there is no doubt t[hat the] future lies with the sm[all car.] General Motors, piqued [by the] astonishing progres[s of] Mercedes among the American doctors and [...] even plans a compact [car] based on the body shel[l of its] Monte Carlo model. [The] original idea of usi[ng the] European Opel Diplom[at as a] base was dropped after [the Dip]lomat failed to make any [impact] at all on Mercedes in Ge[rmany.] Ford, too, plans anot[her car] like the Mustang II f[or next] year. "It will," says [Iacocca,] "be based on a small [car] with a very expensive interior."

MEN AND MATTERS

Vic Hallam's family affair

There have been times over the last ten years, says 74-year-old Vic Hallam, when he wished he had never made his company public. Recently, as he faced the losses of 1971, and the surprise takeover bid from Austin-Hall backed by two of the Hallam directors, he must have felt particularly aggrieved. But yesterday, contemplating the new bid which brings together his old friends John Meyer of Montague L. Meyer, and John Atley, of May and Hassell, he was as sunnily optimistic as he claims he has been for most of his life.

Hallam is, as he will explain with very little prompting, a religious man, a member of the United Reform Church (congregationalist) who has done his fair share of preaching and christening in his time. He believes, he says, in the forces of good and evil, and avows that his best ideas, like the one which took him into sectional building, were supernaturally inspired. In spite of the stock market quotation, the company (turnover £13.6m. in 1972) has remained based at Langley Mill, near Heanor in Derbyshire, and has kept its family-run flavour—Hallam is chairman, his son Murray managing director, and the works provide labour for much of the local community.

So the support which the Austin-Hall bid got from Gordon Hallam, the son of his brother Jack who had been one of his early collaborators, and Alec Hudson, his son-in-law, came as a shock. "I was never worried," he says, "because I put it in the hands of someone Mightier than me. But it was wrong."

Yesterday, neither of the two dissident directors had any comment to make on the new bid: it seems that, like their colleagues over at Austin-Hall, they knew nothing about the offer until the last moment. But if the deal goes through it will leave Vic Hallam as part of a much larger timber importing group (Meyer is strong in hardwoods, May in softwoods) which already has strong trading links. And Vic Hallam will, he says, remain very much in charge in spite of his years.

Jumbo risks

A year or so ago Julian Faber was saying that Willis Faber and Dumas might "be just about the most truly international company in the country to-day." What that has meant in the past is that 70 per cent. of the private insurance broking group's revenue (almost £300m. premium income last year) has come from overseas, and that it has had offices abroad, mainly in the white Commonwealth. But now it is going into the Arab world as well, setting up an office in Beirut to capture more of the booming oil, aviation and building business.

Faber, group chairman, says he has been interested in the Arab world for some time. The timing of the move has depended on getting the right people to head the company: Dr. Lucien Dahdah, chairman of Intra Investments, and a member of several Lebanese Cabinets, and Sheikh Najib Alamuddin, the man who built Middle East Airlines.

But what about the risk in the Middle East, even for what is said to be one of the world's largest insurance broking companies? Well, says Faber, the Middle East's aviation problems will pose nothing new: only last month the company paid out £9m. to Japan Airlines for the Boeing 747 Jumbo blown up in Benghazi by hijackers.

Burton's image

John Stephenson, who has just been made responsible for revamping the image of Burton's 500 menswear shops, is one of those businessmen who started off in a completely different track. Back in 1955 he was a management trainee in an engineering company. Then he met Terence Conran, linked up with him and was pulled gradually into the world of design.

Since then his fortunes have been mainly bound up with the Conran Design Group, which, after the confused period which saw the merger of the Ryman brothers with Conran, was eventually taken over by the Burton Group.

Recently he has been in charge of the Ryman shops, opening new ones at the rate of one a fortnight. Changing Burton's with its many old-fashioned premises will, he concedes, pose different problems. But those who know Stephenson, a tall, rangy 41-year-old, who buys his clothes at St. Laurent, will suspect that the appointment has been designed partly to answer the challenge of the High Street boutiques.

Cornfeld, and the good life

"In many ways this is an important experience for me. I'm not recommending it as necessary curricula for my friends, but it does have spiritual rewards." The words are those of Bernie Cornfeld, ex-boss of Investors Overseas Services, describing the delights of life in Geneva's St. Antoine prison, where he is being held on a charge of fraud.

Prison has evidently not dampened Cornfeld's spirits. He is only allowed to mail four letters a week, but he gave his mother a letter to copy and circulate to all those who have written to him since his arrest last May, mainly small investors in IOS. The letter was published in the latest number of Fund Guide International, a critical journal about the off-shore funds market, published in Copenhagen.

There is some self justification. (Cornfeld claims that "if I am guilty of anything, the major financial institutions of the world are guilty of the same thing.") But much of the letter is taken up in describing the advantages of prison life. "The food is good," he writes "hardly a star in the Guide Michelin, but then St. Antoine wasn't really set up to attract tourists. Prisoners are treated well. I have a radio and reading material. I read and write and enjoy freedom of mind and spirit."

"I'm alive, I'm well, I've lost some weight, trimmed my beard and look great. I'm up at 6.30 every morning and productive till lights go out at 11.0 at night. I'm doing many of the things I wanted to do for the past two years." He also says that he is "comforted by my conviction that I have dealt with people honestly," and ends with a plea for more letters.

Over to you, IOS investors.

Well versed

London Airport's Heathrow hotel has a new marketing idea: special poets lunches on Fridays for important hotel contacts. A bit of culture in the hotel trade at last? Hardly. Poets lunches are for those whose motto is Push Off Early, To-morrow's Saturday.

Observer

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INDUSTRIAL PROPERTY

FINANCIAL TIMES SURVEY

INDUSTRIAL PROPERTY

FINANCIAL TIMES SURVEY

A buoyant market

By PETER RIDDELL, Property Correspondent

The industrial property market is currently enjoying one of its most buoyant periods ever. The encouraging signs of a revival in the level of inquiries and lettings reported a year ago have been fully confirmed, as has the concern about the rapid growth of construction costs. The result has been a sharp increase in rents in many parts of the country while the investment market has shown continued strength with yields remaining at low level.

This period of expansion really began to get under way about 18 months ago when following the consolidation phase of 1970 and 1971 confidence began to improve as the Government declared its commitment to a rapid rate of growth. The results of the various reflationary measures taken two years ago and the Industry Act of 1972 can be seen in the buoyant market of the last 12 months—and particularly since the spring of this year.

There are a number of indicators which illustrate this. Indeed only about ten days ago Allsop's, the estate agents, published an industrial property index which showed a marked drop in the availability of industrial property—especially factories and warehouses—in most parts of the country. According to the report, this evidence bears out official claims that the national economy is growing. The index—based on a survey of 25 cities and towns—shows a sharp fall in the number of units on the market in all but four regions of the U.K. The exceptions are the predictable ones of Scotland, Wales, the north and the north-west, but even here the increases in availability have not been particularly large.

Rapid movement

The other area which has not performed well is London—running counter to the exceptionally strong conditions in the south-east as a whole. The answer here is related to the continuing rapid movement by industrialists out of older premises in inner London. At the same time, however, there has been a strong demand for industrial premises of any kind in the outer boroughs where there is a great shortage of new units and, consequently, a sharp rise in rents. Although the outer fringes of London and the Home Counties have benefited most from the growth in the economy the Allsop survey showed that the Yorkshire and Humberside region was "particularly well set for prosperity" with a 35 per cent. drop in the choice of property in the last year alone.

While the Allsop survey highlights some significant trends—and it is to be hoped that a number of other firms will follow this lead and carry out detailed regular research—the figures refer only to the stock of accommodation at any one time, and not to supply and demand as such. Thus even in those areas where there has apparently been an increase in availability, such as Scotland and the north, there could, in fact, have been a quite marked upturn in lettings, as there has been in both areas in the last year. The apparent paradox is explained by the fact that supply has been rising at a temporarily faster rate than demand as several major projects have got under way in response to the increase in confidence.

Large projects

These figures can be supplemented by detailed evidence of increases in lettings which are reflected both in the results of the various publicly quoted industrial property companies which have reported recently, such as Slough Estates and Percy Bilton in the last few days, and in the detailed announcements about particular large projects. There are examples from all over the country of lettings picking up on long term schemes and of units on previously difficult estates at last being taken.

An indicator of the overall trend has been provided by figures provided by the Lyon Group, which has nearly 100 estates in various stages of completion throughout the U.K.—probably the widest spread of any private developer. In the first half of 1973 lettings and disposals by the group's various regional divisions was 67 per cent. above the comparable period of 1972. There was a 30 per cent. rise in the southern region where the largest investments are, a 75 per cent. rise in Scotland, an 82 per cent. rise in Ireland, a 109 per cent. rise in the north, a 100 per cent. rise in Wales and the south west, a 569 per cent. rise in the Midlands. These last figures must, of course, be treated with some caution since the increases are from a very low base as Lyon has been greatly expanding the scale of both its marketing and site acquisition in these areas.

But various other sources confirm the increased buoyancy in the Midlands and the north west where a lot of the slack in the market has been taken up. An interesting example is at Ashton-in-Makerfield in Lancashire where Portal Developments has pre-let 371,000 square feet on its new development.

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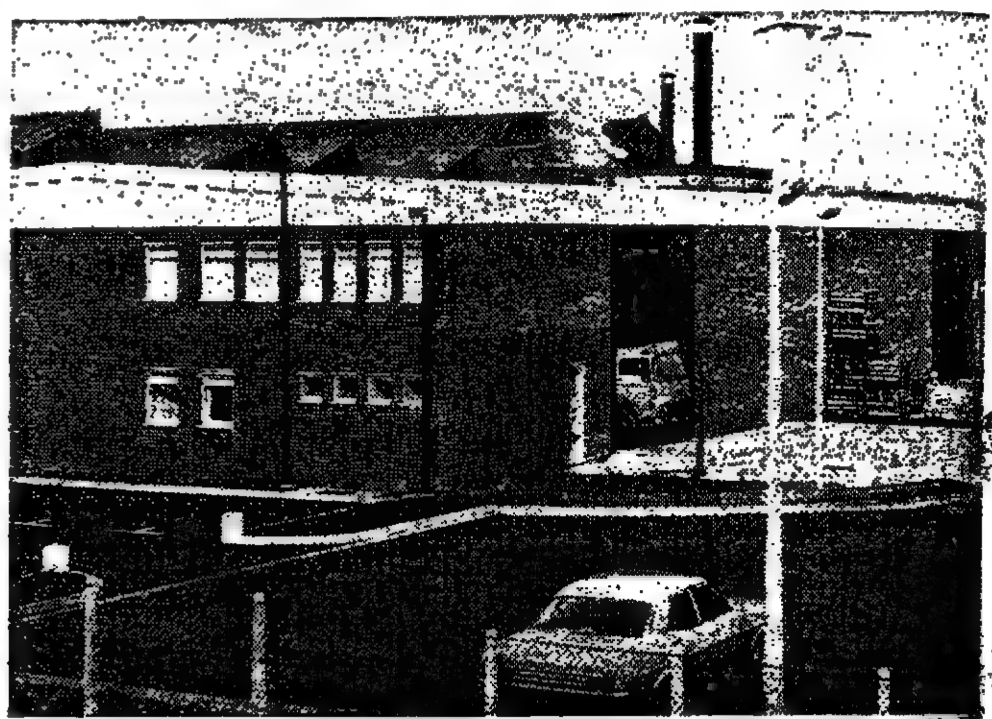


Part of the 60,000 sq. ft. warehousing development carried out at Park Royal in London by Eldonwall Ltd.

This view was also confirmed in a recent market report produced by Chamberlain and Willows which remarked that Manchester was a particularly flourishing area. The same report has also pointed out that a remarkable feature at present is the large amount of warehouse space which is still being acquired in all parts of the country. In the last six months the agent has disposed of more than 4m. square feet of warehouse accommodation (about two-thirds of which is in London and the south of England), mostly of modern construction.

The increase in demand, which these figures reflect, has also stimulated an increase in rents. The other factor pushing in the same direction has been the rapid rate of growth of construction costs of the last year. There has been an estimated increase of at least 25 per cent. since last autumn. This has had a particularly important effect in areas where construction costs are a high proportion of value, such as in the north and Scotland. Thus few new units are now being offered at less than 55p to 60p a square foot in good provincial locations, compared with perhaps 45p to 50p in some cases last year.

The highest rents of all have been recorded on the outskirts of London—notably in south Hertfordshire in the Watford and St. Albans area where rents for good quality new premises are now up to the £1.50 a square foot mark—up 45 per cent. in the last year. And only slightly lower figures of about £1.25 a square foot have been achieved in parts of south London and in the west around Ruislip. Although the district around Heathrow airport has lagged slightly behind, this area also is now moving ahead. The increases have mainly affected new single storey units and refurbished space is still available at under £1 a square foot, while there is also a considerable amount of older multi-storey space on the market.

Rents of around £1 a square foot are now established for new units in large parts of the Home Counties, and on estates in the surrounding areas, 30 or 40 miles out, rents are now often only 10p to 15p under this level. The motorway system is a continuing influence in many other parts of the country and it is noticeable that peak rents are now in the region of 75p a square foot for estates near motorway links, both in Bristol and in some areas farther north.

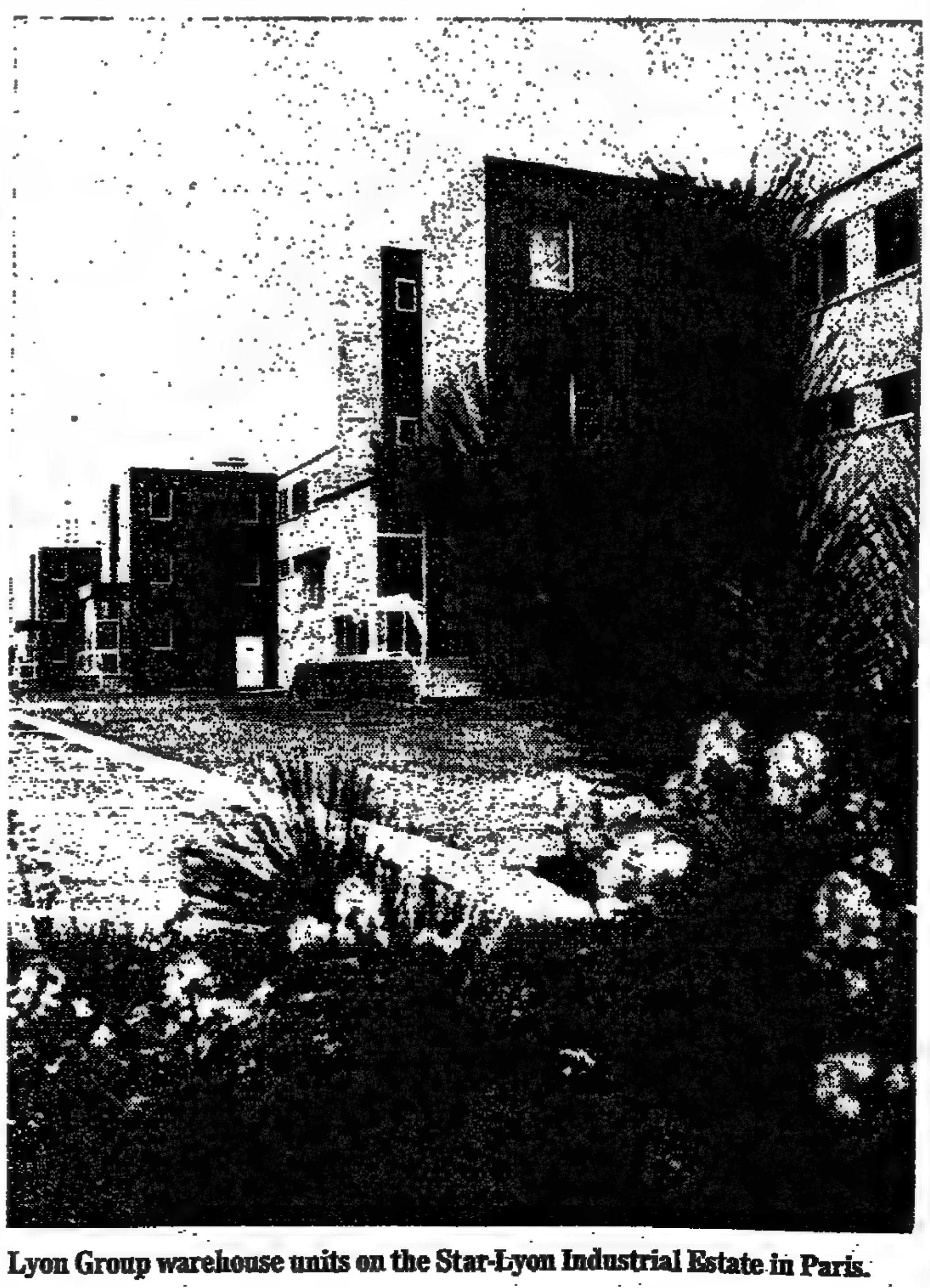
This level of rents—and the rate of growth of the last year or two—has reinforced the arguments of those who have maintained that the industrial sector should be re-rated relative to offices and shops. On this view, which is examined in more detail in an accompanying article in this survey, the long-term performance of industrial rents is roughly similar to the rate of growth of office rents in comparable locations. It is difficult to tell what influence this argument has had on the market but the major investing institutions have been significantly increasing the proportion of industrials in their portfolios. Another factor has been the hope that industrials will [...] up relatively well if [...] rent control is introduc[ed this] autumn. The Govern[ment's] intentions on this score [are not] yet known but the [...] controls do not seem [to have] had much effect so far.

Anyway, the strong [insti]tutional demand and shor[tage of] quality investments ha[ve kept] yields at a level of aroun[d ... per] cent. for most of last ye[ar. The] prime rate is now d[own to] around 6.75 per cen[t., the] lowest point achieved [since the] previous boom—and ther[e have] even been rumours of deals being arranged at [lower] levels. This demand ha[s also] affected the terms on [which] finance is arranged and an increased amount [of] funding, which is lik[ely to] continue in view of the [...] high rates of interest.

The other notable fea[ture of] the last year has been [the in]creasing amount of acti[vity on] the Continent with many leading specialist agen[ts and] developers now involved [in in]dustrial projects in Fran[ce and] Belgium—and in one [or two] cases in Germany and [...] as well. The encou[raging] aspect of this trend is [that a] fair number of letting[s have] also been arranged at s[atisfac]tory rents, apparently c[onfirm]ing the pioneers' hopes [about] the expansion of the d[emand] for rented space.

Britain's entry into th[e EEC] has had comparatively [little] effect so far although the[re has] been some increase in in[quiries] from foreign companie[s for] distribution centres in [South] East England. This is [on a] pretty small scale, alt[hough] entry into the EEC may [have] been one of the factors [stimu]lating the big increase [in de]mand from U.K. compani[es for] warehousing in this area.

While the market as a [whole] is in a healthy positi[on at] present many groups ar[e not] as confident as they wer[e a] year about the short-to-me[dium] term prospects in view o[f the] uncertainty about the g[rowth] rate of the economy as a w[hole.] There are already signs of [over]heating in certain places [with] very high prices being pai[d for] land and investments. But if activity slows down fro[m the] exceptionally buoyant ra[te of] the last few months it is expected to be well above [the] level of two years ago.



Lyon Group warehouse units on the Star-Lyon Industrial Estate in Paris.

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INDUSTRIAL PROPERTY III

Approach to finance changed by inflation

By PETER RIDDELL

The financing of industrial development, like other areas of the property market, has altered considerably over the past ten years—and the past 12 months has seen the appearance of some particularly interesting and important approaches.

The key influence throughout this period has been the continuing, and rising, rate of inflation — and the growing realisation of the significance of this factor by the main institutions. Consequently they have shifted the emphasis of their approach towards property financing to meet this new situation. Instead of the straight fixed-interest mortgage of the immediate post-war years, institutions have increasingly sought a sizeable equity interest in the growth of projects.

This process has taken various forms from a shareholding in the company itself to numerous different types of sale-and-leaseback. The exact formula used has altered in response to the state of the market and the relative bargaining positions of developers and institutions, but also as a reflection of the increasing awareness of both parties of the advantages and disadvantages of each method.

These pressures have been paralleled by a steady increase in the frequency of review periods which have now settled down to the point where most occupational leases provide reviews every five or seven years. The very rapidity of the rate of rental inflation has also meant that institutions have sought to take a share of the growth of projects from the start—and not solely after the first review. This is because in the present period of rapid growth rent levels can alter quite significantly between the time when the financing is first arranged for a project and the date when a scheme is completed and is let. This has applied especially over the past year as the time taken to complete a building contract has lengthened.

Moreover the rate of inflation can mean that the institution's share of the income from a scheme can drop to a low level until the first review. Consequently a series of modifications of the basic sale-and-leaseback formula have evolved to provide both parties with a more equal balance of both the risks and the rewards from the beginning.

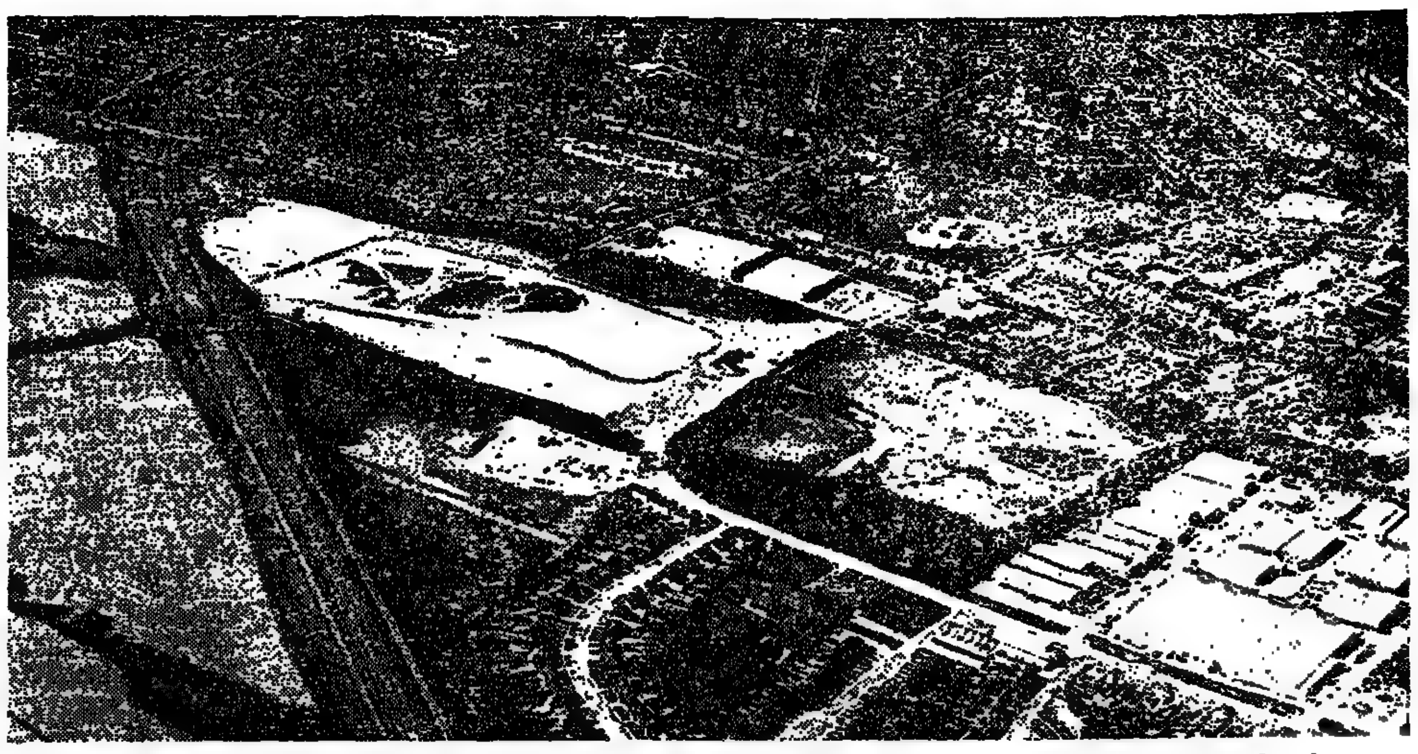
These points are common to all types of property financing but industrials do have a number of particular characteristics of their own. For a start, the market is regarded as being more volatile than offices or shops with demand for units varying in line with the general economic and industrial trends. Moreover various technical and design factors, including the adaptability of units for new forms of loading and goods handling techniques, assumes some importance.

Motorway system

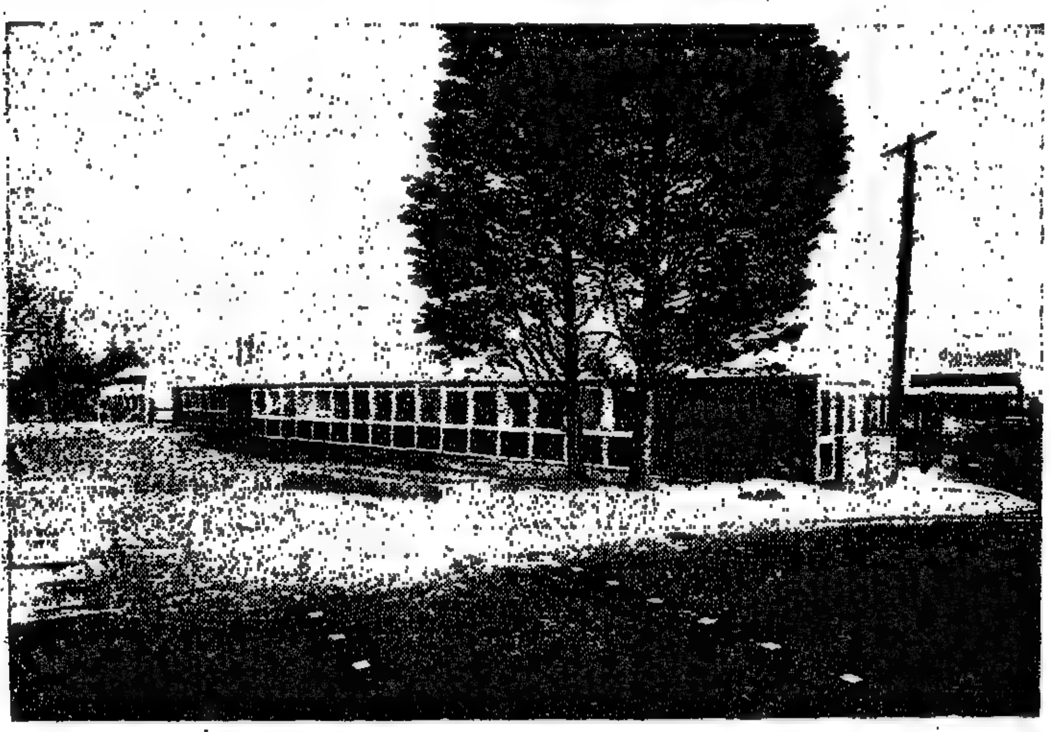
Location criteria are also different from other sectors and have changed over the past few years with the expansion of the motorway system. There are also unusual features since Industrial Building Allowances and certain other incentives can alter returns and the rate of tax paid, which naturally affects the demand of gross funds.

Against this background the institutions have developed a growing sophistication about the finance and investment of industrial schemes. As an accompanying article makes clear a number of institutions have been increasing the relative proportion of industrials in their portfolios quite sharply in the past year to 18 months. But the very competition for suitable investments has meant that funds have had to broaden their criteria of selection to include sites in the Midlands and north as well as in the traditionally preferred south east. Even so the overall demand for new rack rented investments has not been matched by sufficient supply, and in the absence of a secondary market many funds have had to go further back into the development process in order to acquire property of the quality they require.

While the majority of funds are still reluctant to get directly involved in the development process right through some have started to operate on their own. This naturally reflects the particular expertise of the fund managers involved. But the majority of funds still prefer to work jointly with developers in such a specialised and potentially uncertain field as industrial development.



Aerial view of Mackenzie Hill's 34 acre industrial site at Luton showing its strategic location in relation to the M1.



Sleepeezee's new factory and offices at Morden, Surrey, designed and built by the Lyon Group.

Consequently the main result of the increasing pressure on the investment market has been to produce a significant increase in the amount of pre-funding. The exact stage at which an institution becomes involved varies, but most funds do not want to arrange a deal until a valid planning permission has been obtained, and are reluctant to acquire sites which are merely generally zoned for industrial use. This, of course, reduces the risk element considerably, but many funds also prefer that part of a scheme if the first phase has been pre-let.

In any event the build-up of money here in what has become very much a sellers' market has meant that not only has the pre-funding rate fallen, as have investment yields generally, but the margin between the two rates has also narrowed appreciably. This not only reflects greater institutional demand but also increased confidence that units will be let and income producing quickly and without any difficulty, possibly at higher rents than originally estimated.

The margin between the pre-funding rate and the prime investment rate has moved from about three-quarters of a point in the beginning of 1972 to between a quarter and half a point above prime rate at present. Several recent pre-fundings have been arranged at between 7.25 and 7.5 per cent. and there have been reports of one being agreed at 7 per cent. for a scheme in north London. This type of arrangement has an appeal to both parties at present especially as the sharp increase in interest rates of the past year has meant that some developers can be paying 14 or 15 per cent. or more for bridging finance. It can add a lot to the cost of a project and naturally encourages more forward selling. The high cost of money and the squeeze on lending to property companies imposed by the banks is likely to lead to closer ties of this kind and several institutions have picked up a number of schemes in this way in the last year.

The massive Abbey Property Bond Fund, for example, has been involved in a number of joint developments. A breakdown published last June showed that it was involved in a total of £10.5m. of joint developments on the industrial side. This includes projects in Mitcham, Halesowen, Cheltenham, Manchester, Bedford, Iver, Eastleigh and Tonbridge.

The list of companies in these joint developments includes both some well-established names as well as some rapidly expanding new groups. Among the companies are Stead Investments, Mackenzie Hill, the Lyon Group, Linked Group, Deacon Group, Ashville Properties, Milford Estates and Oakhill Developments.

Joint developments

Various other property bonds have also become involved in joint developments and the recent report of the Merchant Investors Property Fund included a joint project with Clarebrooke Holdings to develop some 90,000 square feet of warehouse space on the Blackwall Industrial Estate in E14. The fund is financing the project with a guaranteed minimum return of 11 per cent. of total developments costs plus an equity share. Rent reviews coincide with underleases and will not be less frequent then every seven years.

A wide range of different financing methods have been worked out but the recent trend has been towards various forms of side-by-side packages. These not only provide a fair balance of income and growth but also ensure that the developer has a rather more marketable interest than he would have in a vertical slice in a traditional sale-and-leaseback.

These type of packages have appealed, in particular, to the smaller and medium sized industrial developers and a number of the larger, especially publicly quoted groups, have been able to arrange money on more advantageous terms. An example here is Percy Bilton whose funding arrangements aroused considerable interest when the company went public last autumn. It has formed links with a number of institutions and although the agreements vary an unusual feature of some is that there are mortgages which are not repayable for more than 125 years or are irredeemable. In other cases Percy Bilton enters into an arrangement with the institution under which it buys a site, selected by itself which in due course is developed by it with institutional funds.

On acquisition of the freehold or completion of individual units the institution grants to the group a long lease which gives the institution a predetermined right in the share in increased rents arising from rent reviews or underleases. The long lease is mortgaged to the institution to secure the funds provided by it. This provides a number of advantages to the group and flexibility in the development programme.

But apart from those fortunate companies with secure financing arrangements, most developers face the situation that the rise in interest rates has led to a large deficit financing problem. The alternatives are to arrange a type of side-by-side pre-funding as outlined above, or to trade outright—and unless rates come down shortly there will be increasing pressure on many groups to trade rather than retain.

INDUSTRIAL PROPERTY IV

Investment yields still low

By PETER RIDDELL

The buoyancy of industrial lettings has been matched by the strength of the investment market over the last 12 months. The two trends are partly related but industrial yields have, like office and shop returns, remained at a historically low level also because of the continuing large amount of unsatisfied institutional demand.

The market is, in fact, poised in a rather interesting, and delicate, situation at the moment with one or two indications that it may be in danger of overheating balanced by arguments that industrial yields are due for a significant long-term re-rating relative to *offices and shops.*

Historically, industrial yields have tended to fluctuate fairly sharply reflecting both changes in institutional demand and the cyclical demand for warehouse/distribution and factory premises, which tends to vary far more than the demand for offices and shops. Whether the variations are as great as has been assumed is debatable *but there is clearly a cycle in* speculative industrial development related to general economic and investment trends.

In any case the events of the past five years illustrate the uneven pattern of yields very clearly. There was a strong boom in 1968-69 with prime yields moving to below 7 per cent. in a few cases. This situation was fuelled by a partly *indiscriminating institutional* spending spree. Certain pension funds bought industrials for the first time on any scale. The worrying feature was that certain properties were acquired without too much regard to location or quality including some old-fashioned multi-storey warehouse and distribution centres. Developers naturally took advantage of this situation to finance some schemes on what turned out to be very advantageous terms.

Anyway, the bubble burst, as seemed inevitable in hindsight and perhaps at the time to any with much experience of property or of market cycles. Yields rose by more than two percentage points in under a year to over 9 per cent., and *considerably higher* for lesser quality investments. This put some institutions in rather an awkward position though others took advantage of the situation to press tougher terms on developers by taking a larger equity stake in schemes. Similarly, the market reversal also had the healthy effect of "shaking out" of the market a number of "amateurs" who moved in to enjoy the boom.

Not surprisingly, most institutions took a pretty cautious view for much of 1970 and the greater part of 1971. But yields, in line with the investment market as a whole, started moving downwards again about two years ago. At the end of 1971 good quality investments were still being sold for 8.25 to 8.5 per cent. (and slightly lower in a few cases) and perhaps 8 to 8.25 per cent. in the first few months of 1972.

Major adjustment

The major adjustment occurred in the March to May period of last year when yields slipped sharply down from 8 to 7 per cent. This almost dramatic fall within a three-month period was both because of renewed general investment interest reflecting a greater commitment to property by the major funds and because of the appearance of new demand in the form of property bonds.

The bonds have been enthusiastic buyers of industrials which are often of the right size (i.e. sufficiently small) to fit in with their portfolio requirements for a wide spread of investments. The same factor has also appealed to the smaller pension funds. Although the bonds have been criticised for buying some poorer quality investments an examination of their portfolios does not bear this out in the case of most funds. Some would, however, admit that with hindsight they regret certain of their early purchases.

Apart from a sharp increase in institutional demand prices have remained buoyant because of a shortage of good quality investments. And it is a noticeable trend of the past few years that institutions are no longer interested so much in the name of the covenant as in location and the quality of the property. There is thus an increasing preference for investments near *motorways with adequate eaves* height and parking and loading space. Some of these requirements have been relaxed over the past year though, because of the sheer shortage of supply, and many funds are now prepared to buy investments over a far wider geographical spread than before. But developers have increasingly been producing standardised units which can be easily reused by other tenants if a void occurs.

The supply / demand imbalance last year was reinforced by the arguments of some agents and institutional fund managers that industrial rents would rise at a particularly rapid rate in the short to medium term — partly in response to the upturn in the economy and lettings. This forecast has turned out to be accurate, as the accompanying article on rental trends makes clear. So those agents who put their clients into industrials at the beginning of 1972 can feel satisfied at the moment with rent increases of 45 per cent. in certain areas around London in the last 18 months.

After the readjustment of spring 1972 yields consolidated around the 7 per cent. mark for most of the rest of the year, although there were a few, mainly unconfirmed, examples of 6.75 per cent. rates in November and December. The Government announcement in January of this year about the continuation of rent control and the official consideration of longer term policy for business rents (yet to be announced) has only had a temporary effect on the market. Yields moved up to over 8 per cent. for a short time although comparatively little business was done. Many industrial specialists remained optimistic that industrial property would be penalised less than the office sector.

Prime rate

But as the investment market as a whole regained confidence yields started to fall again and business picked up. Yields were around 7 to 7.25 per cent. in late May and have now slipped to between 6.85 and 6.75 per cent. for top quality investments. This is very much a prime rate and is roughly equal to the lowest yields achieved at the end of the last boom in 1968-69. But many investments are still selling at around 7 per cent. and an interesting indication of the strength of the market was provided by a deal a few months ago in Northampton. A newly completed and let warehouse and office development on the Lodge Farm Industrial Estate was sold for an equated yield of about 7.25 per cent., which was reckoned to be fairly competitive for a leasehold investment.

The market has, however, shown signs of overheating in the last few months with at least a couple of unofficial reports of deals arranged at 6.5 per cent. in the London area. Indeed, there are even rumours, at present unconfirmed, that a new factory, also in the London area, with a first-class location, structure and covenant and five-yearly reviews, has been sold for 6.25 per cent. If this is true it will represent a very bullish view of the market. There is, of course, a great danger of talking yields down on the basis of rumour and many agents are rightly sceptical of taking these reports too seriously until they see the signed and completed contracts.

But even though the effective prime yield is nearer 7 per cent., these reports are a further indication of the amount of money available for investment. Some industrial specialists believe, however, that the boom may be nearly over. There is little firm evidence to support this view yet, but one experienced agent argues that there could now be a drying up of money, at least compared with the amounts available earlier this year. This is partly because a number of funds have nearly completed the major readjustment of the last 18 months or so which has increased their industrial property holdings from, say, between 10 and 15 per cent. up to around 25 to 30 per cent. of their property portfolios. There is also the feeling that the money available to the institutions themselves may also be slowing down.

A further argument is that a bull phase has historically lasted for only about 18 months to two years and so on the *basis of past* trends the current boom should have nearly run its course. Moreover yields have in a sense fully adjusted to the higher growth rates of rents which have been seen in the past 18 months. This at present tentative hypothesis is reinforced by reports that some agents are now receiving instructions to sell a lot more investments than earlier in the year.

At the same time the institutions are showing signs of becoming more selective and fussy about what they will be prepared to buy. This is partly related to the rent control situation and some institutions are now hesitant about acquiring property with reversions in the next couple of years.

Despite these signs it is far *too early yet to say what will* happen to the investment market in the next six months or so. The continuing uncertainty over what the Government will do over business rents in the long term brings in a further question mark since this could have major effects on the industrial sector, like the other investment markets.

However, the industrial specialists are confident that the sector will hold up strongly relative to other areas if some kind of long-term control is introduced. This view is based on the argument that since industrial yields are higher than shop and office returns—6.75 to 7 per cent. compared with 3.75 to 4 per cent. respectively at present—there is less downside risk. Thus assuming that institutions are aiming for an overall annual return of something like 12.5 per cent. at the moment the split with industrials is between a 7 per cent. immediate yield for prime investments with a 5.5 per cent. estimated annual growth while with top quality shops and offices the balance is around 4 per cent. income and 8.5 per cent. growth.

But if the Government introduces a blanket control on rents allowing an increase of perhaps 4 to 5 per cent. a year or advances in line with some kind of index such as retail or wholesale prices, industrials could be relatively well placed. Indeed the permitted growth rate might not be very different from what is assumed in the above calculations. On present prime yields the downside risk might be only half a per cent. or one per cent. At any rate this argument has appealed to a number of institutions, some of whom have apparently been increasing the proportion of industrial property in their portfolios as a consciously defensive measure.

This case has been backed up recently by a vocal lobby which has argued that industrial investments deserve a fundamental re-rating relative to offices and shops. This case was most forcefully stated in memorandum produced a couple of months ago by Percy Bilton. *This argued that "contrary to* popular opinion a survey of comparative rents over the past seven years shows that industrial rents are on a virtual percentage par with offices, and even the City of London office index only just beats the industrial average. Although office rents in the London area tend to rise in dramatic spurts and thus attract a great deal of attention their commonly accepted "historic superiority" is shown to be something of a myth."

Ambitious claim

The report supports this pretty ambitious claim with figures, based on Bilton lettings, which show that the average increase in factory rents in centres such as Ruislip, West Drayton, Brimsdown and Ealing, was 148.75 per cent. between 1966 and 1973. However, over the comparable period the increase in office rents, based on Location of Offices Bureau figures, was 147.75 per cent. in centres such as Croydon, Ealing, Romford and Wembley. Moreover, according to Bilton the increase in the City of London in the same period was 166.67 per cent.

In south east England the average increase in office rents in 1966-73 in Maidstone, Portsmouth, Stevenage, Reading and Aylesbury was 113.40 per cent. while the rise in industrial rents—taking units let by Bilton at Radlett, Slough, Bletchley, Basingstoke, Flitwich and Portsmouth—was 113.83 per cent.

Bilton concludes from these figures that even though the research was confined simply to percentage rent increases these alone are enough to emphasise the "investment value" parity between offices and industrials. But the company maintains that if other factors such as Industrial Building Allowances, low renovation costs, the investment spread, etc., are taken into account then a strong case can be made *out for* industrials to replace offices as the "gilt edged" of the property world. Moreover Bilton claims that economic problems result in far more office voids than in empty factories.

This is a far reaching and provocative argument and it must be remembered that Bilton has a certain interest in the discussion as one of the country's leading indu[strial] developers. Some agents [have], in fact, been slightly scep[tical] about certain of the findi[ngs] pointing out that the ra[te of] increase in office rents in the suburbs of London an[d] Home Counties towns ten[d to] be somewhat understated [in the] examples given. Thus [some] people would maintain tha[t the] market rent in Croydon is nearer £5 a square foot tha[n the] £4 which Bilton quotes fro[m] LOB statistics. On the [other] hand, it can be argued [that] there may have been a sl[ight] exaggeration on the indu[strial] side, partly owing to c[ertain] factors such as timing. [But] some agents would say th[at]

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U.K. firms expand overseas activities

By PETER RIDDELL

Over the past 12 months there has been a steady expansion in both the number and scale of industrial projects being arranged overseas by British property companies. The most significant feature has been the expansion in the amount of activity on the Continent where several new companies, and agents, have started to operate and where the British involvement has been continually spreading to new areas.

It is also interesting to note that the list of groups active in Europe now includes many of the best known U.K. industrial developers such as Brixton Estate, Slough Estates, Property Security Investment Trust, Mackenzie Hill, the Lyon Group, Stead Investments, as well as other groups like Samuel Properties, Guardian Properties, English and Continental, Bovis, Country and New Town, etc.

An equally important factor has been how some of the main British surveyors and estate agents have also begun to be involved with industrial schemes and the list here includes names like Donaldsons, King and Co. and Richard Ellis.

Although industrial property investment is clearly an important—and growing—feature of the U.K. developers' expansion overseas it is still on a relatively small scale compared with the activities in the office sector. Thus while there are now probably a couple of dozen U.K. owned industrial schemes in or around Paris there are an estimated 150 or so office projects in the city itself.

There are a number of reasons for this disparity—some relating to the perhaps more obvious attractions of office development as well as the possibility of buying ready made investments, half-completed schemes or buildings suitable for conversion.

But the basic explanation lies in the nature of the industrial property market in most of the Continental countries. Industrialists have generally preferred to own and often develop, their factories and warehouses rather than rent from a developer or institution.

Tax advantages

This tendency has been reinforced by the large number of local authority projects, State subsidies and tax advantages available to industrialists in many countries. It was estimated last year that in France only one or two per cent. of industrial buildings were constructed for letting on the British pattern.

This attitude is now changing as companies become more aware of the opportunities for releasing capital and ploughing it back profitably into a business. Indeed Guardian recently arranged a sale-and-leaseback on an office and industrial investment at Vilvorde in Belgium in what is believed to have been one of the first such transactions of this type arranged in that country. But the strength of the preference towards owner occupation has meant that there have been few potential tenants prepared to rent industrial premises apart from overseas concerns such as British, U.S. and Japanese groups.

The initial lettings lists of most of the pioneer British companies in both Belgium and France include a number of international names and it is only recently that local companies have begun to rent space in any quantity. The position has apparently changed quite considerably over the last couple of years, although this may in part reflect the fact that British groups have acquired more sites and are in a more influential position in the market.

In any event, the prevalence of owner occupation has restricted the rate of expansion of the British since most U.K. developers are used to building, renting and investing long-term. Nevertheless many of the pioneers have followed Continental practice and sold on completion to occupiers as certain groups still do in the U.K.

There are also associated difficulties of raising long-term finance. Although conditions eased significantly last year the situation — particularly in France where there is a lot of U.K. interest—has become very much more difficult in the last few months because of the increasing reluctance of the French banks to finance the expansion of British property groups.

In addition, there are also complications over differences in the planning system as well as language barriers which merely underline the general point that in industrials as much as in the office sector professionalism is needed. It is no good thinking an industrial project can be arranged after a "day trip" and then be left to look after itself. The most successful industrial developers on the Continent, as elsewhere, will be those who set up local offices and acquire local contacts and expertise, often by employing local nationals.

The impact of all these factors has been that until the last couple of years British developers had been somewhat reluctant to become involved with industrial schemes on the Continent—concentrating overseas on industrial projects in Australia and Canada. But a handful of companies did become involved—for example, Slough Estates with its St. Nicholas Europark estate near Brussels and Mackenzie Hill with its various projects near Paris. The build up of experience by these pioneers, together with the increasing of general interest in the Continent had led in a marked expansion of activity since early 1972.

Within Europe the greatest British industrial activity so far has been in France with a number of schemes both around Paris, its new towns and in certain provincial sites. Owner occupation has been as strongly entrenched in France as elsewhere and there has been a ready supply of subsidised land via organisations such as Societes d'Economic Mixte. But a variety of factors within France such as the higher growth rate of the late 1960s and the improved transport links have helped stimulate the expansion of a separate industrial sector.

Major factor

A major factor here has been the appearance of the SICOMI which finance the purchase and development of property mainly under credit bail or leasing terms. The number of SICOMI has increased rapidly over the last few years and since there are restrictions on the amount they can provide for office deals there are large and increasing sums available to industrialists.

The SICOMI package is a particularly attractive one and it is not surprising that many industrialists prefer to buy this way rather than rent when they can. However, despite this there is now plenty of evidence of a steadily increasing amount of space being provided on a straight rental basis. Some of this is supplied by certain recently established SICOMI and French property groups, but a lot of the drive behind the expansion of this part of the market has come from the British.

The most active British group in France on the industrial side is Mackenzie Hill and over half its £60m. plus French development programme now involves industrial projects. It has been successful with its turn-key industrial schemes and an example of what it has achieved so far is at Louvres, 11 miles north of Paris where a 170,000 square metres estate is now virtually complete with tenants including Borg-Warner, GTE-Sylvania, Dragoco, Panzani and a subsidiary of the Hachette Group. The group will shortly start developing a further 140,000 square metres extension to this estate. Other completed industrial schemes include developments at Melun, Villeneuve La Garenne, Trappes and Gonesse while projects in progress include a training centre for Burroughs International at Cergy/Pontoise and warehouse and office developments at Marly-La-Ville, Gonesse and Morangis.

Mackenzie Hill also formed a joint company last year with Slough Estates, a leading British industrial developer, to develop industrial estates in and around Paris. The joint operation which is via a comapny called Anglo-French Developments, is apparently making good progress and among the developments are an 8 acre estate at Colombes and another 16 acre one at Bures-Orsay.

This list gives a good indication of the spread of British interests — namely around Paris, especially near the main airports like the Orly and the new one at Roissy-en-France, while there has also been a lot of activity at the five designated new towns outside Paris—Cergy, Trappes, Every, Melun and Manre La Vallee.

While Mackenzie Hill has been the leading U.K. industrial developer in France so far a number of other groups are now also making a significant mark. The Lyon Group launched a £23m. industrial and commercial development programme in France earlier this year and among its schemes are a warehouse and light industrial complex at Trappes Elancourt, a 15,000 square metres estate at Blanc Mesnil, near Le Bourget Airport, and a 44,000 square metres warehouse development near Roissy-en-France.

Other companies to have become involved include Guardian Properties, which has recently let its 15,000 square metres warehousing unit at Survilliers to a French haulage group; Sterling Land with a development near Le Bourget, Stead Investments with a site in the same area: and English and Continental, with a warehouse development at Mardelles.

Encouraging point

The encouraging point about these projects is that some quite sizeable lettings are being agreed, not only to international tenants but also to local French companies. But the intriguing question will be whether the demand for rented space expands as rapidly as the British are predicting—and hoping—to match the large amount of space they are developing.

While most companies have started working in the Paris region a number are now looking at developments in other parts of France. Bovis has already acquired a 36-acre site on the French coastline in the middle of Le Havre's dockland for an 80,000 square-metre plus warehousing estate.

Further south, Mackenzie Hill is already developing a warehouse and office complex at Decines, an eastern suburb of Lyons and has plans for a large industrial project on a 50-acre site at l'Isle d'Abeau, 13 miles south east of the city. At Carros, near Nice on the Cote d'Azur, work is due to start this month on the first advanced factories of a 50-acre development being undertaken by a French subsidiary of Higgs and Hill. Another major scheme in the south is at Annemasse, close to the Swiss border, where Elizabethan Property group plans a mixed commercial, residential and hotel complex.

Up till this year there has been less British activity in Belgium, although there is now an increasing amount of development for renting near Brussels, for example, at sites such as Diegem near the airport, and near the main motorway route to Antwerp. The emphasis here is also on warehouse and distribution centres and there could be an increasing number of such complexes along the channel ports.

Slough Estates was one of the first in the field in Belgium on the industrial side with its St. Nicholas Europark estate between Antwerp and Brussels. After some years when not much progress was made this estate is now doing well. Among the other groups with industrial sites in Belgium are Bovis with a large factory and office investment in Antwerp, Stead Investments at Malines, Samuel Properties with a 32 acre site west of Brussels and Property Security Investment Trust with a site at Diegem.

There has been surprisingly little industrial development so far in Holland and the prospects here may be affected by the proposed investment levy. There is also a lot of industrially zoned land in the hands of local authorities available for development. Interestingly though, Brixton Estate has chosen to make its first European industrial acquisition in Holland though it already has office investments elsewhere on the Continent. It has bought nine acres of land from the municipality of Zoetermeer, between Rotterdam and the Hague for a 20,000 square metres industrial estate.

Property Security has also moved into Holland recently with the acquisition of the Van Houten chocolate company's former headquarters on a 32 acre site at Weesp, near Amsterdam. The plan here is to provide a total of some 60,000 square metres of commercial and industrial space in a development phased over several years. Among the other British groups also working on industrial schemes in Holland are Bovis, with an estate outside Utrecht, and a joint Town and City/Kemley - Coopman company which has let a development at Weesp to Rank Xerox.

In line with the general increase in British interest in Germany this year a handful of industrial deals have been agreed there recently, and many U.K. agents and developers are quite bullish about the prospects for industrial development there. Property Security has had a successful project near Munich for some time and while Reamhurst is understood to be actively looking at deals in the Ruhr the main acquisitions to be announced so far this year involve Mackenzie Hill. Indeed, work on the first 5,000 square metre warehouse at Russelsheim, 15 metres south west of Frankfurt, should be completed this month. Mackenzie Hill has acquired another site at Russelsheim, which is near the Frankfurt airport, for a further 5,000 square metre project. And about a month ago the third acquisition a 15,000 square metre warehousing and light industrial complex was announced at Dietzenbach, about 10 miles south of Frankfurt. These first few projects are likely to be followed by several other British acquisitions in Germany in the next few months.

While most attention has been focused on the Continent there has been continued expansion in Canada and Australia where certain British groups have now been operating for well over a decade. Although any further growth in Australia is being restricted by the Whitlam Government's recently introduced controls there are several major projects already under way there. The Lyon Group, for example, has a number of estates around Sydney (at Liverpool, North Ryde and Camperdown) as well as a 35-acre industrial estate at Clayton near Melbourne. MEPC also has industrial estates in both these cities, while Brixton has a project in Melbourne. Slough Estates has also been active in Australia since the early 1960s.

Successful estates

There are fewer British owned projects in Canada but the list of groups active there includes MEPC with several developments throughout the country, and Slough, which has a number of successful estates around Toronto—at Malton, Markham and Ajax.

Although most of the industrial activity has been limited to these countries, and to Europe, certain companies have recently been looking elsewhere—for example, to other parts of America and the Far East. The Lyon Group has already announced a 1.2m. square feet light industrial and warehouse complex in Hong Kong, at Kwai Chung in Kowloon. And it is not likely to be long before other British groups reveal projects there and in other parts of south-east Asia—all of which underlines the increasingly international perspective of U.K. industrial developers, like other parts of the property industry.

CONTINUED FROM PREVIOUS PAGE

Investment

quote 125p for Ruislip. of 150p for Ealing, even though these figures have been achieved by Bilton, is slightly to overstate the case since these are very much full market rents.

Nevertheless despite these reservations on points of detail most agents and developers would agree with the general point that over the long term the rate of increase in industrial rents has been much greater than generally assumed and is, in fact, remarkably similar to the rate of increase in office rents, at least outside the City of London. Much of the increase in industrial rents has been concentrated in the last couple of years which explains a sizeable part of the recent enthusiasm in the investment market. Whether this enthusiasm has been overdone remains to be seen but there is no dispute that industrial investments are now being looked at in a completely new light by institutions.

INDUSTRIAL PROPERTY VI

The bulls vindicated by rental trends

By PETER RIDDELL

The events of the last 12 months have proved a notable vindication for the bulls of the industrial property sector. Rents have grown at an almost unprecedentedly rapid pace in many parts of the country — altering much of the established thinking about appropriate rent levels. This has, in fact, led some—not surprisingly active in the industrial sector themselves—to argue that industrial investments should be rerated relative to offices and shops.

This view is discussed in more detail in another article in this survey, but the key question to be answered is how far the increase in rents relates to apparently cyclical factors such as the strength of the economy and of industrial lettings, and how much to longer term influences. The buoyant lettings market has clearly a lot to do with the rate of growth, especially in areas where there is a shortage of good quality new units such as in the Home Counties. But this does not explain why rents have also risen—even though less rapidly —in much less booming parts of the country. The basic answer is that rents are being pushed up by the steep rise in construction costs.

This combination of "demand pull" and "cost push" pressures has had a varying effect in different parts of the country. But a factor common to all industrial rents, and to a large extent most provincial office rents, is that construction costs are a very much more important determinant of final rent levels than with prime shops or City of London offices. This is because construction costs form a relatively low proportion of the value of a London office scheme—perhaps 10 to 15 per cent. in some cases—with land values the predominant factor. The proportions can often be reversed with industrials—the percentage of value attributable to land declining the further one moves from London.

Land value

But even in London where prices of more than £150,000 an acre have been quoted for industrially zoned land over the past year in certain areas the land value element is still a significantly smaller proportion of overall value than with offices. Thus on a rent of about 80p a square foot and current yields construction costs are about 45 per cent. of the value of an industrial scheme.

The significance of this has been underlined over the past year since a wide sample of estimates shows that construction costs have increased by at least 25 per cent. since last autumn — and probably by as much as a third in parts of the London area. These figures are, in fact, probably on the conservative side and there are no signs yet of any marked slowdown. It has been estimated that it now costs £5 a square foot to construct a reasonably good standard industrial building, compared with around £3.75 to £4 a square foot 12 months ago. The exact figures, of course, vary with the quality and finish of the building.

Moreover, because of shortages of both supplies and skilled labour the time taken to complete a contract has lengthened considerably. The days of the five-month contract for a straightforward industrial unit are now definitely gone and one industrial developer with estates throughout southern England and the Midlands recently remarked that it might now take eight to nine months to complete a simple industrial building. This has upet all kinds of cost forecasting calculations and can make a significant difference to the final cost of a project. By lengthening the period between purchase of a site and letting, this factor also increases finance charges, and in view of current interest rates this has to be regarded as an important element in final costs.

The upward pressure of construction costs has been a fairly general factor affecting developers throughout the country, although those companies which have produced standardised units common to all their estates have been able to minimise some of the effects. However, the other side of the equation — stronger demand — has been a much more uneven influence which largely explains the difference in the rate of rental growth within the U.K. Using an example in the London area one agent recently estimated that extra construction costs were responsible for 15p or about half the increase in rent with the balance coming from extra demand.

This is a pretty rough and ready calculation but there is evidence that the rate of increase in the north—for example, around Manchester or Leeds where demand is less strong—has been at about half to two-thirds that of the London area. Thus while rents of new industrial units in the best locations in Manchester have increased from 55p/60p a square foot to 70p/75p in the past 12 months the increase in parts of south Hertfordshire has been of the order of 40 to 50 per cent. In other parts of London, of course, the rate of growth has been much slower because there has been a greater supply of accommodation, or less buoyant demand, and it is still possible to obtain reasonably modern premises for around 80p a square foot in certain areas.

But within London generally the sharpest rate of increase has been in various fringe areas and it is here that rents of £1.25 to £1.50 a square foot are being seen. This level of rent has been established for small—15,000 square feet or less—warehousing units in particular. And it is significant that within the overall pattern a rent of more than £1 a square foot is no longer regarded as anything out of the ordinary. Leaving aside certain areas of especially high rents a figure of around £1 is quoted for most new premises within a 30 miles or so of the capital, and even further in certain cases. At Alton in Hampshire, for example, Arrowcroft has been talking about £1 for its new estate, while further east in Sussex figures of considerably more than £1 have been mentioned, if not achieved yet, in the Burgess Hill and Crawley area.

While demand and increased construction costs are an important part of the story here as elsewhere in the U.K. it would be wrong to ignore various long term factors affecting the relative growth of an area. In the south east, for example there has been a noticeably faster rate of growth of rents around the expansion areas designated in the regional plan. These areas are the districts around Milton Keynes / Northampton/Wellingborough, south Essex, the Crawley/Burgess Hill area and the district bounded by Reading, Basingstoke, Woking and Aldershot.

Another major influence on rents, both in the south east and elsewhere in the U.K., is the motorway system. The improvements in inter-city communications of the last 10 years have accelerated the trend whereby industrial estates have moved away from the centres of cities or towns to their fringes near important road links. There is now an established pattern that where a motorway opens or is extended rental values rise sharply.

M4 effect

This has benefited Watford, for example, while the extensions of the M4 along a line westwards from Slough—traditionally a very good area for industrials because of the continuing success of the massive Slough Estates development—through Reading and Swindon to Bristol has had a marked effect on the rate of factory and warehouse building, and upon rents. In both Swindon and Bristol rents have moved up from 60p (65p in some cases) a year ago to between 75p and 80p now. The extension of the motorway into Wales seems to be having a similar effect on stimulating the area around Newport, especially as there are sizeable regional incentives available there.

A similar pattern can also be seen in the Midlands and there has been quite a cluster of recent warehousing developments around the Spaghetti junction interchange at Gravelly Hill near Birmingham. In Birmingham itself rents of about 75p a square foot have been quoted for new schemes. Leeds has also been gaining in popularity in the last few years for this reason, as has the Greater Manchester area.

Against this view, a strong case has been made out by some industrial specialists that it is not so much motorways themselves which have stimulated rent increases as a shortage of suitable sites and units on the market. It is thus argued that rents rise because of planning restrictions and it is certainly true that this is one of the main reasons why rents have been so high in both Surrey and Hertfordshire. The same factor also applies in Kent where there is now an enormous scarcity of new space—for example, in the Medway towns—and a number of agents and developers believe the area is potentially one of the most attractive for industrial expansion in the whole of the U.K. because of our entry into the EEC.

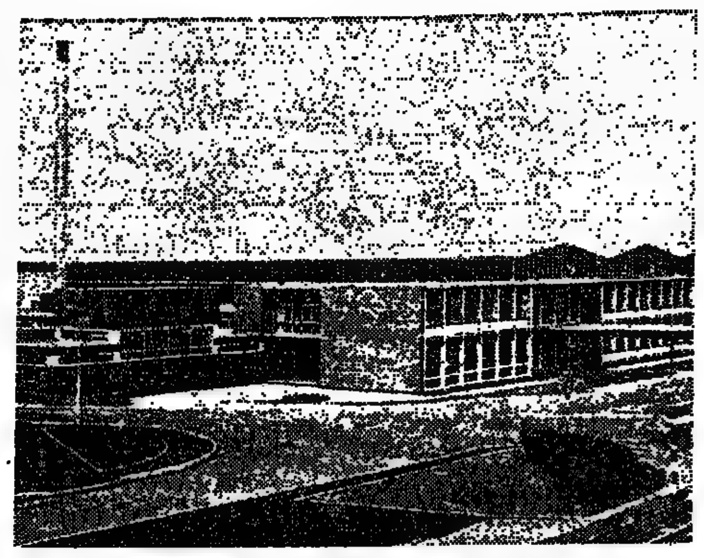
Other major influences on the market include airports, as has been shown by the large number of developments, especially distribution centres, around both Heathrow and Gatwick airports. The latter has attracted a good deal of attention over the past 12 months with several new or planned developments in the Crawley area. The posals for a third London port at Maplin have drawn companies to buy sites southern Essex but such n appear somewhat prematu the moment since not on the future of the whole pr still uncertain but any sc would probably include a sp industrial and a warel estate—limiting the scop private speculative develo

While this article has m discussed the pressures fo sharp increase in indu rents of the last year months and the high achieved in certain po areas it should be remem that this is merely one e the spectrum. A glance regular market reports of Chamberlain and Willow King and Co. shows that is plenty of good, modern, brand new, space availal well under top market rer

The latter may set the but do not constitute an av In Manchester, for exa while the current top n rent may be 70 to 75p a s foot new estates are now developed offering spa about 80p a square fo reasonably good loc Similarly in East Anglia, lettings in Cambridge have at about 70p a square foo in Ipswich, at 80p.

Sufficiently low

But this is not to den strength of the upward sures, especially in relat the much sought-after s units. But industrial ren still sufficiently low, com to office rents, for industr not to have to consider tralisation or relocation "expensive" to "cheap" yet. This day may come wilder, or more bullish casts, of future rental are proved correct. And it be a rash man who woul the possibility that a rent a square foot might be ac within the next 18 mon two years, however inc able this might have s only a few months ago.



The former Hindmarsh Gear works at Slough now occupied by AEG-Telefunken. The factory and adjacent land were developed by Three Stars Properties.

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New towns reflect regional problems

By ROGER BEARD

From Londonderry to Crawley, Sussex, the United Kingdom's 31 developing new towns act as a barometer both of *regional and national industrial* activity. When a region is depressed, industrial development within its new towns is also depressed. When a region is booming, industrial development progresses accordingly. As a rule of thumb, a new town with a higher than average unemployment rate will have spare industrial land available together with development corporation factories. The towns with full employment will usually have little to spare.

Once stated, it is a rule with a great number of exceptions. Some are faced by local difficulties, others by problems which occur in all new towns at one stage or another in their development. The older new towns are a case in point.

Housing shortage

At Bracknell, for instance, there is at *present an imbalance* in the number of houses available for the town's industrial work force. The effect of this on industrial development, apart from the extension of plant already in operation, is to slow it down. The shortage of housing has produced a shortage of labour.

Though the town has had no difficulty in attracting industry from its inception, there is little point in a policy of active industrial encouragement and attracting industrialists from outside the area when there is insufficient housing to accommodate the necessary increased labour. The result for Bracknell, and it is one common to many of the older "London" new towns, is that there has been only marginal progress made on further industrial expansion.

At the other end of the spectrum is Skelmersdale, an imaginative new town whose purpose is partly to relieve the overcrowding of metropolitan Liverpool. Skelmersdale has little shortage of labour. Customers have been more difficult to attract. In the past, business confidence in Skelmersdale has been shaken, most particularly during the Courtauld crisis of last November.

It was then that the company considered closure of their considerable Skelmersdale operation. In the event it was a nine-day wonder; Courtaulds soon afterwards announced their intention to increase their investment in the town. Nevertheless, such are the shocks the northern new towns experience regularly during their industrial development.

In 1973, renewed confidence in Skelmersdale is shown by the £16m. investment of Thorn *Electrical Industries*, the very considerable investment of BOC, and continued industrial progress. The differences between Bracknell and Skelmersdale are, in fact, twofold.

First is geographical location. The southern towns, Harlow, Stevenage, Hatfield, Basildon, Bracknell, Crawley and Hemel Hempstead originated in an attempt to siphon off some of the capital's population and with it London-based industry. The result has been that "London-based industry" has long since extended to include large national and international concerns. Purpose built accommodation, the inducement of workers' houses, these have combined to cancel out many of the disadvantages of siting industrial operations in the South-East.

The northern towns, though giving welcome relief to overcrowded northern cities, have *the additional purpose of* acting as a weapon to reverse the drift of industry and hence of population to the South East. Development grants and other financial inducements should have weighted the new town competition for fresh industry firmly on their side. With few exceptions this has been far from the case.

Against this apparent slowness of industry to invest in the northern towns must be put the difference in age between most of them and their southern counterparts. If one includes Welwyn Garden City, the eight new towns of the London ring scarcely deserve to be called new at all. They were all designated between 1946—Stevenage, and mid-1949 — Bracknell. They had very much the first bite at the industrial cherry.

The majority of the other new towns, not just those in the North, are of far later designation. They are creatures of the 1960s, the latest—Telford —coming more than 22 years after Stevenage. One cannot judge their industrial performance on the same scale. However, they have provided employment for more than 325,000 people in a decade, completed over 15m. square feet of industrial property, and at present have another 5m. square feet under construction in 260 units.

Costs of industrial property in the new towns depend on whether or not the industrialist wishes to take advantage of the individual development corporations' standard factories or to rent the land from them and build to his own, approved design. All development corporations retain the siting and provision of industrial property as one of their major responsibilities.

Rents, either for the small advance factories available to start incoming industry off, or for the standard factories constructed for the development corporation, stand at around the 50p per square foot mark, with all mains services provided.

Of crucial importance, particularly to the later generation of new towns, has been communications, both with other industrial centres and with the ports.

Indeed, much of the emphasis given by the towns to their particular attractions is placed on communications. None is far from the motorway. Corby, for instance, is only one of a string of new towns close to the M1, and Skelmersdale relies heavily on the M6 for its industrial input. Indeed the town cannot be reached directly by rail. If the *new towns are the children* of the motorway age, their proximity to the ports is often a deciding factor in whether or not an industry chooses one against another. The motorway advantage is one they all boast, port proximity can tilt the balance.

Deciding factor

Another deciding factor, assuming industrial capacity to be available, depends on where the parent company is originally situated. This works in two ways. It may be that a medium-sized firm takes advantage of what a new town can offer by transferring its operations completely. In these cases, distance is no object. On the other hand, the larger firms tend to seek new town industrial property as an extension of their headquarters' business.

In the south, a pattern of movement has emerged which shows that expansion also takes place from new town to new town, as industrial land becomes insufficient for particular needs. Any movement of manufacturing plant over a radius of 20 miles or more tends to conform to a sectorial pattern. Thus, the later new towns of Northampton and the city of Milton Keynes may well receive the overflow from the booming London ring new towns.

The traditional arrangement whereby the new town corporations have been responsible for attracting and providing for incoming industry, one in which until recently had provided the necessary balance in the work force, would seem to be outmoded—at least in the Government pronouncements so far over Maplin.

In addition to establishing a new town corporation to deal with housing Maplin's estimated future population of 250,000, they have in their wisdom proposed that industrial development should be under the control of a separate authority, that responsible for the airport complex. This is a departure which worries Britain's professional planners, and which could have serious repercussions on industry. Critics see two major deficiencies in such an arrangement.

They doubt the ability of two agencies to co-ordinate what has proved a taxing task in the other new towns for one. They also point out that the financial viability of the new towns is built up from the value of their commercial and industrial leases. New town corporations depend on industry for much of their income. Indeed, income from rents received is their source of revenue.

The argument is ample demonstration of the individuality with which the handling of industrial property is conducted by the new towns.

As the sole landlord, their prices are less vulnerable to normal market forces. Whereas on the commercial front much of the new town development is done in partnership with private enterprise, the industrial role of the development corporations is to guarantee as far as possible jobs to go with the houses it builds. This means, on average, that a company seeking to move from an older industrial area to a new town must get a bargain.

The rents have to be reasonable, the access roads adequate, and all the main services planned before occupation. Whether or not there is a workforce locally available, the balancing of housing and employment while a town is developing removes yet another worry. External communications benefit from the relationship the new towns have with central Government regional policies. If it is decided that a new motorway should be built, existing new towns have some influence on the route that road will take.

Forward planning, so often lacking in the older industrial areas, is built into the new town concept. Industry buys exactly what it sees, with the advantage of knowing to the nearest 1,000 what the population is expected to be in ten or 20 years' time. Usually there is sufficient room for expansion with little danger of becoming land-locked, if not industrial property is available in other new towns close at hand. The only puzzle, and *one that* the development corporations have been trying to solve for 20 years, is why more people do not buy it.

Coping with rising costs

By MICHAEL CASSELL

With expansion of the economy, the level of new industrial construction work has finally taken an upturn after a prolonged period of very low activity. The rise has not been *as considerable as many* people within the building industry had been hoping for but demand is nevertheless high. Orders for private industrial building work in the second quarter of 1973 were 34 per cent. up on the second quarter average for 1972.

Relaxation of the Industrial Development Certificate policy and substantial government assistance for companies wanting to expand in many areas has also acted as a stimulus to industry and many plans held in reserve for some considerable time because of the economic climate now appear to be going ahead.

Builders specialising in the construction of factories and warehouses are, therefore, now coping with different, more palatable, problems. The search for potential business is no longer of necessity, quite as intense and the emphasis is once again on finding solutions to the problems which accompany every contract large or small, in the course of its life.

Land availability remains a major consideration but perhaps the predominant factor affecting current development plans is cost.

Materials, labour and land have all been subject to spiralling costs and the inflationary situation is certainly not yet over. Industrial development has, in this respect, been affected just as badly as other sectors of the construction industry with companies forced *to postpone expansion and* modernisation plans. Now these are being brought out from under the dust-sheets, companies are finding out the hard way just how much more expensive their ideas have become.

Faced with mounting costs in all directions, builders are in many cases making great efforts to take advantage of every opportunity to mechanise construction methods, something which can certainly be achieved more easily than in commercial and domestic building work.

But the biggest single factor in containing costs must be time. As Laing puts it: "One of the most important messages to be put across to prospective clients is that time is becoming increasingly expensive.

Wide range

"We have to ensure that in times like this, projects are completed as quickly as possible to that a wide range of costs can be contained. Standards, of course, must not be allowed to suffer but if the customer wants to keep the price down, he must be well prepared in advance."

Contractors constantly urge business with possible expansion or modernisation plans—much work is now being done in renovating and sub-dividing existing plant—to bring the builder into their projected schemes at the earliest possible time.

Many companies have been surprised to find just how many problems can be ironed out before they effectively arise, just by early consultation with the experts. Money can be saved by close attention to lay-out and, with his detailed knowledge of the market in question, the builder will be able to supply the answers to many queries, such as proper site location, manpower availability and material shortages.

Clients are also constantly reminded that, where an IDC is necessary, its issue does not guarantee that planning permission will be obtained, a fact which has led to some costly confusion in the past. And since an ODC's lifespan is only 12 months, delays in getting the all-important planning permission could jeopardise any expansion project. Early consultation, this time with the local authority concerned, is again recommended.

Under the changes effected last July, IDC's are no longer necessary in development areas and special development areas, including regions like Scotland, Wales, the North, Devon and *Cornwall*.

From last July, the Government also granted some relaxation of exemption limits in other areas. In the south-east, these were lifted to 10,000 square feet and elsewhere to 15,000 square feet. There are some indications that these changes set back some expansion plans for a few months because of the new situation but the rate of approvals has now risen again.

Material shortages

Necessary statutory approval and the problems of ever-mounting costs are only part of the package of problems facing contractors engaged in industrial construction programmes. The widely publicised problem of material shortages is hitting this sector as hard as any other, and in some respects even harder.

Steel is one of the major components used in the construction of factories and warehouses and it is the supply of steel which is causing the most serious problems. Shortages of reinforcing steel have already led to temporary delays on some contracts and structural steel supplies are no better. Buyers generally are now being quoted up to 30 weeks' delivery by some manufacturers and some builders report certain forms of steel subject to eight-month delays. When they get it, they can expect to pay more. The British Steel Corporation increased prices by 9.5 per cent. on average earlier this year and there is now every prospect that a further rise of around 8 per cent. will be sought in the autumn.

Timber supplies are also severely restricted, with a construction boom on the Continent reducing U.K. merchants' chances of obtaining the quantities of materials they require. The brick situation is now generally recognised as having improved considerably in the past year, although some difficulties are still being experienced. Added to these problems, shortages of a whole range of other vital building components are hardly helping the building industry to complete contracts in the shortest possible time and so assist in keeping overall costs down.

Another serious problem, also one of shortage, involves skilled site labour. The lack of manpower follows the widespread cut-back in labour at the time of the last recession and the continuing reluctance of builders to expand training facilities because of very real fears that another slump may again require similar action.

The industry's workforce is believed to have fallen by one-fifth in the past four years because of the prolonged period of low demand at the end of the 1960s and builders are finding it hard to get people back.

Current conditions, then, are not calculated to help the builder in his task of completing work fast and efficiently but every effort is being made to cope with the encouraging volume of work now available.

INDUSTRIAL PROPERTY VIII

The docklands hold out few easy pickings

By RAY DAFTER

On the face of it Britain's dockland must be among the richest areas for property development. For a start ports are land-hungry and with the changing methods of shipping and cargo handling dictating new, deep-water facilities, many of the ageing conventional berths and warehouses have been closed down, and are now ripe for redevelopment.

The waterfront, so vital to a port's commercial welfare, can be an attractive asset for residential developers as well as those proposing industrial and commercial plants and buildings which would rely on shipping or shipped goods. On top of this, most of the land is available with the necessary services laid on. Most of the ports are, or have been, linked to the railway network. Roads have had to be provided and even if some of these are below par at present—and many certainly are — the Government has promised priority treatment for links to the docks over the next few years.

So where is the drawback? Many of Britain's ports are publicly owned in some form or another which usually means that local authorities have first choice on any vacant land.

Secondly, because of the potential amenity value of these waterfront sites—London's dockland and Bristol's City docks, for example — development schemes usually come under greater scrutiny than normal. (In London's case, a joint Government — Greater London Council team spent the best part of two years studying possible dockland development, delaying in the meantime many of the port's and developers' plans for parcels of the land. In Bristol, town planner Sir Hugh Casson, was commissioned to outline what he would like to see done with the City Docks area, due to be closed to commercial shipping by 1980, but expected to be redundant before then.)

Necessary cash

Thirdly, the port's own aims have to be taken into consideration. While there are some undertakings which would be happy to see their redundant land sold or leased for virtually any purpose provided it produced some very necessary cash (one senses that this is the case in Liverpool), others are definitely more choosey, preferring to concentrate on new developments which will ultimately benefit the port itself.

The British Transport Docks Board, the State-owned undertaking which controls 19 ports including those in the Humber, in South Wales and Southampton, has a policy of promoting "port related industries" wherever possible.

Just taking the major redevelopment areas in the ports so far mentioned one arrives at a total of between 7,000 and 8,000 acres, all in fairly attractive sites.

It is not always possible to find the right buyer willing to pay the right price, however, as Liverpool has found out to its cost. After several years of financial instability culminating in drastic recapitalisation plans, the Mersey Docks and Harbour undertaking would dearly love to raise capital by selling its redundant docks in the upper reaches of the Mersey. The 300 acres round the South Docks area have been called Mersey's "land bank," although up to now this account has not been a particularly lucrative one. Back in 1971, when money from the sale of land was badly needed, the then chairman of the port, Mr. John Cuckney, warned against "excessive optimism about the amount or the speed" of realising the assets. "It would be a disservice to the undertaking and the security holders to embark on distressed selling in a weak market," he said.

Market conditions

The Mersey Docks Company, formed from the old Docks Board to revitalise the port, has stuck by this advice. So when last year an offer of about £1m. was made for 234 acres of the land the bid was instantly rejected as "far too low to merit serious considerations."

There now seems to be more confidence in the company that the market conditions are picking up. A number of negotiations are under way and the likely outcome will be a mix of development. The local planning office produced an outline brief showing, for example, that industrial development would only be acceptable around the Queens and Kings Docks areas for example. Some 19 acres immediately south of the pierhead is expected to be redeveloped for offices, shops and a museum, while the Albert Dock warehouses seems to have been earmarked for the proposed polytechnic. Then there is the port's gradiose headquarters, also the subject of several offers. This building is expected to be sold for over £2m.

The Port of London Authority received £9.3m. from the sale of its impressive headquarters, favoured with one of the best positions in the City, and even then the PLA was criticised by some for not getting a higher price. The sale of the head office, along with St. Katharine Dock House and just over £1m. worth of land helped the port to reduce borrowings by £12.8m. last year.

The annual report set out the PLA's philosophy: "We have no intention of holding on to land or to buildings for which we have no need. Considerable sums of money will in due course accrue to the Authority during the disposal of surplus real estate and will continue to strengthen the Authority's liquid position and its capital position."

The sales will certainly help the financial position in the short-run. What the PLA must ensure is that its long-term prosperity is assured by its own development. It is an often overlooked fact that in these days of asset-selling London still owns more land than it has ever done. Much of its own new acquisitions are downstream, around Tilbury, for example, where much of the future port activity will be centred. Then there is the £55m. Maplin Seaport scheme. The PLA says that it is right that a considerable part of the cost of modernising the port and extending it down river should be met by the proceeds of the disposal of land and buildings; some 5,000 acres in all.

And what land and buildings! The PLA is the major owner of the 5,500 acres of partly derelict dockland between Wapping and Beckton which is providing developers and London planners with the greatest redevelopment potential since the Great Fire of London.

While St. Katharine Dock—nearest to the Tower of London and just outside the dockland study area—gets a refreshing facelift with a hotel and marina, doubt still rules over the future of the massive waterfront site. The PLA does not want to see its spare land tied up for too long, particularly as it is anxious to start building Maplin. Along with Sterling Guarantee Trust, the PLA has recently presented plans to Tower Hamlets for a mixed office, industrial and housing development covering 70 acres at Wapping. Other individual schemes have been announced or, at least, are mooted.

This raises the question whether this huge area, offering such massive opportunities, will be allowed to be developed in piecemeal fashion or whether it should be the subject of a comprehensive plan. In strict planning terms, the second alternative must be the most desirable. And yet what might have been the blueprint for such a comprehensive strategy—the Dockland Study—has not really been welcomed with open arms. The Study outlined five options for the future of the area, all of which have, in effect, been rejected by the Greater London Council. So there is still a good deal of doubt about how and when the redevelopment will take place and whether it will be set out in a unified whole.

Perhaps it is even more important that Bristol's City Docks redevelopment should be the subject of a comprehensive and imaginative plan. Although more compact than the London dockland area, it will have a tremendous impact on the future of the historic West Country city.

"Little Venice" and "Amsterdam of the West" are two of the expressions you hear on Bristol's waterfront when local people discuss the opportunities presented by the City Docks closure. Certainly Bristol is fortunate in having so much water in the heart of the city; it would be guilty of negligence if it did not make the most of this amenity.

Sir Hugh Casson has said he wants the waterfront to belong to the people of Bristol and has outlined his own ideas—a mixture of housing and offices, together with leisure and sporting amenities. One hopes that all of these features will be given prominence. It is easy to see the attraction of putting more offices there; with so much to offer companies and employees Bristol seems to be attracting office developers like flies to flypaper at the moment.

Smaller parcels

London and Bristol are unusual in having so much land available in such favourable positions. Most ports in Britain have some land to offer although usually it is in much smaller parcels, often tied to industrial use.

In this respect the ports in the British Transport Docks Board group are typical: South Wales ports have 720 acres of land available between them; Southampton has a number of areas within the port complex for docks-related activities as well as 750 acres at Dibden Bay which is earmarked for long term development for docks and associated industries. In the Humber, Hull has appr[...] 700 acres of land, of wh[...] acres is let to agricultura[...] tries. Another 175 a[...] available at Grimsby, I[...] ham and Goole.

Like most port authori[...] Board has acquired th[...] either through direct p[...] or taking over old railw[...] ings, quays and so fort[...]

Terms of sale and lea[...] from place to place, of[...] Even within the Docks[...] they differ. While in[...] Wales the normal m[...] lease is 40 years with[...] running at anything [...] £1,000 and £4,000 per [...] annum. In the Humbe[...] can be granted for 9[...] Here again, rentals var[...] depending on location [...] —from £700 per acre a[...] £2,500 is the rough guid[...]

At one time port au[...] seemed content to op[...] blinkers; to concent[...] running docks for shi[...] and shippers. With the [...] methods of cargo hand[...] expensive new port e[...] and modernisation sche[...] the general desire [...] employees more job o[...] ties, port authoritie[...] tended to widen their [...] in recent years. The [...] ment and developm[...] property is receiving [...] attention; a fact borne [...] the number of estate [...] and property committ[...] have been established. [...] Port of London Author[...] "We arm ourselves [...] best professional advice [...] make our choice of t[...] advantageous proposal.

Industrial firms as developers

By KEITH LEWIS

Over recent years the leading industrial companies have been undergoing a period of self-examination as regards their property holdings, with the result that a great many have formed their own estates departments. Some have even set up their own property development offshoots. But, in any event, it adds up to the fact that industrial companies can no longer afford to ignore their property assets in light of their fast increasing value.

It has been possible to find factories of, say, 40,000 square feet situated on a total site area of six acres, which means effectively a surplus of four acres. Assuming the management wishes to hold something in reserve for expansion at some stage then probably there is a real surplus of some two acres. And with industrial land prices fetching up to £200,000 an acre there are very few companies who can afford to ignore this kind of arithmetic.

It is fair to say, though, that the initiative for most of these deals has come from either the developers themselves or the company's agents. More often than not it has been possible to point out to the industrialist the assets locked up in property when perhaps a better proposition could be a decentralised factory 30 miles away and a fat capital gain.

However, there has been a slight change of emphasis more recently. there has been a move against the developer in that the industrialist, if properly advised, may see a way in which he may by-pass the developer altogether—in other words to become a developer in his own right. This frequently happens when a company approaches a developer, receives a free valuation of his property and then, seeing the immense potential, goes his own way.

There are now less and less straightforward sales of property, although this was the trend at the beginning. Formerly, the potential would be pointed out and the company would realise the capital gain in return for the sale of the freehold. Now the companies are beginning to realise that there may be more to gain from direct participation in a development project. Normally, this would involve the developer erecting the building, finding a tenant and so on; the industrial company would receive the value of the land and, at the same time, secure a share of the steady rental income. Alternatively, the sale may take place *after* the site has been developed, so that the profit is that much greater.

Straight sale

Certainly, in many cases this is the only way the developer can gain access to the property at all, since the availability of prime industrial land is at a low ebb to say the least. One leading agent claimed that there had been no major site disposed of on a straight sale basis for up to a year in the South-East of England. The only examples nowadays are where the company in question may have a cash flow problem and where liquid funds are in urgent demand for the sake of the trading side of the business. Otherwise, companies are tending to hoard their property and some agents are beginning to detect a desire by a number of companies to "know" what

Continued on next page

Designing a highly specialised operation

By H. A. N. BROCKMAN, Architecture Correspondent

The design of industrial buildings, not to be confused with the term "industrialised building," has been occupying the minds and talents of both architects and engineers to an increasing degree over the last forty years. It was in the early 1930s that a substantial advance was consolidated, for in that decade rose the giant factory for Boots at Beeston, Nottinghamshire. The consolidation was effected by Sir Owen Williams, an engineer whose great works for the Wembley exhibition of 1924 had established him as a man with a sweeping sense of form in the results of his work. Two things happened at the Nottingham factory. There was the intense preparatory work of pre-planning in association with the scientific specialists in drug-manufacture, and the mechanical and circulatory needs for a *very large* and *highly* specialised operation. There was also the expert skill which could be brought to bear by a team of engineers and architects to produce a truly architectural result from what was virtually a two-material building of concrete and glass.

Fine combination

This was in every sense a purpose made building, tailored for the job. It made sense, for the future, of the need for highly skilled architectural and engineering steerage in the creation of large industrial buildings, the overall success of the most important of which is outwardly visible as well as internally practical. Instances are numerous and include the early post-war rubber factory at Bryn Mawr with its huge square hall roofed by nine shallow shell domes of concrete, by the Architects Co-partnership.

A later example is the John Player cigarette factory at Nottingham by Arup Associates, a fine combination of architecture and engineering allied to a pre-planning programme in which the builders Bovis were employed on a management fee basis. The result shows a superb building of cream and bronze set on a cushion of green, creating a visible sense of order and efficiency. Power stations too, although often using the architect *in too* limited a capacity, have fine groupings to show. In one of the most recent, the nuclear station at Wylfa in Anglesey for which the architectural consultants were Farmer and Darke, a castle-like grandeur has been achieved in which the contrasts of colour in the cladding and the landscape created within its boundaries, make it thoroughly acceptable to its rocky costline. The foremost architectural firms are now sought by industry to bring greater seemliness and *dignity* to their projects: Mathews and Ryan for IBM and Heinz; Yorke, Rosenberg *Mardall* for the Alcan Smelter plant in Northumberland; Robert Matthew Johnson-Marshall and Partners for the Power Station at Longannet, Fifeshire, are three more among many.

Another challenge which architects have seized upon is that of the demand by a firm for identical working conditions in various branches of their operations in different areas throughout the country. The international Olivetti firm, manufacturers of office machines, needed workshops and operational training centres *in four areas centred on Belfast*, Carlisle, Derby and Dundee. Five architects, working in harness, have produced an unusual answer to this brief. The architects are Edward Cullinan, Michael Chassay, Julian Bickness, Julyan Wickham and Giles Oliver. Together *they devised a flexible building* planning method to suit all sites. This comprised a concrete table supported on columns and walls to cover parking and services, and upon this table a light steel single-storey frame with flat roof and glazed walls. The plan is arranged to extend on three sides of the site forming an open courtyard with entries and staircases across the diagonal of the inner angle. Clerestory lighting to offices, workrooms and lecture rooms is provided on the courtyard side and the roof slopes down from the top of the clerestory to the outer perimeter.

Foam lining

The roof is 25 mm. in thickness constructed with a polyurethane foam lining between outer plastic-coated sheets. Each branch can adapt, so far as accommodation is concerned, to its varying circumstances in a building as flexible and economical as it is comely.

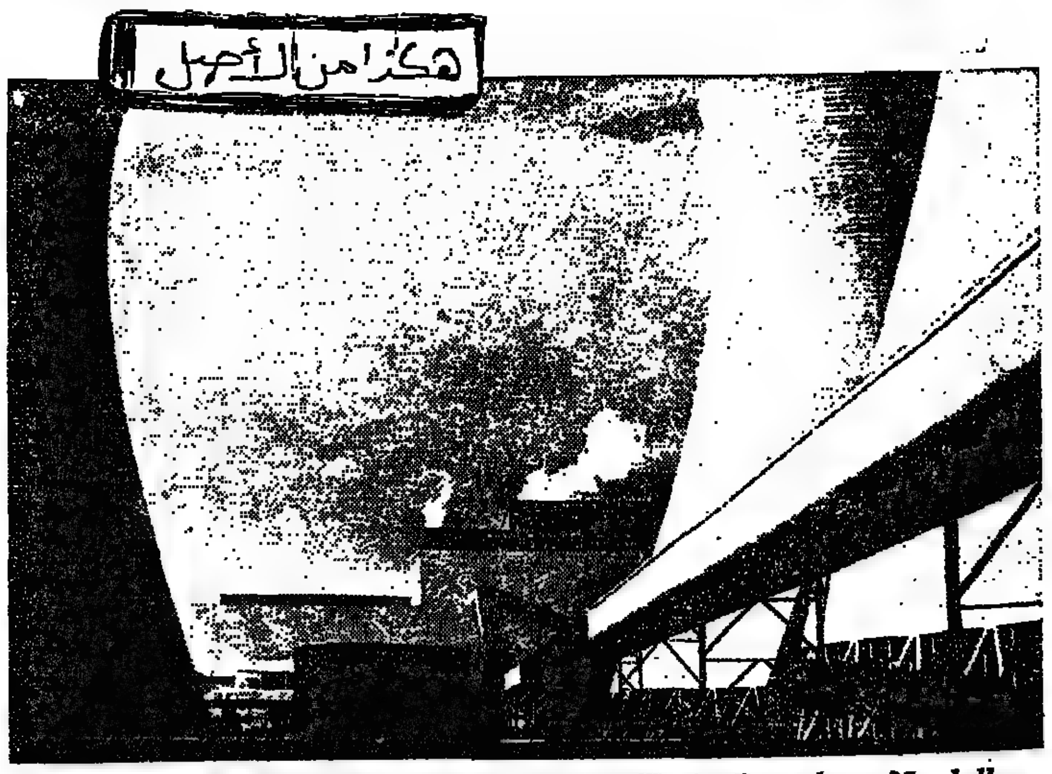
It was Norman Foster and Richard Rodgers who, at Swindon, introduced the light industrial building in which all services were in the depth of the roof truss, being brought down from there to various convenient points, where all working floor surfaces were carpeted and where goods, administrative and operational staff all used the same entry; with this building *they won the first Financial* Times Industrial Architecture Award, in 1967. Since that time Norman Foster has built up a considerable industrial connection, designing and having erected with great speed amenity buildings for shipping lines and offices for large *organisations such as IBM.* His experiments with inflatable buildings have solved urgent needs for expansion pending more permanent accommodation. Such, for instance, was effected for SAPA AB, the British subsidiary of Skandinaviska Aluminium Profiler *AB of Sweden, for whom* prefabricated open plan offices and inflatable warehousing was provided pending the finding of a site for the erection of a permanent production plant, eventually located near Derby.

Foster Associates, as his firm is called, managed the project from its inception and eventually produced an aluminium extrusion plant of 2,300 square metres in a six months design and build period. The building, which can be extended in any direction, is of factory-*assembled steel columns and* girders with roof and wall cladding comprising ready felted roof panels and full-height tongued and grooved wall panels of double-skin stove enameled steel with a 50mm. polyurethane core. The plain rectangular building is all white on the exterior, but inside the steel frame is dark blue, the concrete slab floor bright blue, internal partitioning green and overhead cranes orange. Foster Associates were also responsible for the plant and engineering *programme*, integrating the lay-out of machines and service runs, co-ordinating the arrange*ment of manufacturing plant* and equipment, partitioning and sign posting.

The somewhat exotic development of air structure techniques has already been well tried and proved on the Continent. The Government of the U.K. is now interested, having already commissioned Cedric Price, architect, and Frank Newby, engineer, to carry out research *preparatory* to the issue of a Code of Practice aimed at giving guidance on the subject to the construction industry. Several kinds of air structure have been defined by Messrs. Price and *Newby*, and *I quote:* "An air-supported structure has a space-enclosing membrane anchored to the ground and kept in tension by internal air-pressure such that it can support applied loads; an air-inflated structure consists of a self-enclosed membrane inflated with *air to form a stiff struc*tural member capable of transmitting applied loads to its points of support; an air-controlled structure is one whose position or movement is achieved through pressure differential."

These rather subtle distinctions show, however, the wide potential for the exploitation of these techniques. An important example of the air-inflated building comes from France where the Busy-Bee aircraft hangar, provided by Scandinavian Hovercraft, was erected at Fornebu Airport. The hangar can accommodate such planes as the Hawker Siddeley 125. The fabric is reinforced polyester, coated with PVC, completed beforehand with windows, entrances and ventilation openings. Upward forces are compensated by loose concrete weights placed in sunken positions around the circumference. An air lock, to accommodate the differing types of aircraft, measures some 20 metres square and 8 metres high. Offices, kitchens and lavatories (necessary ancillary accommodation), covering 400 square metres, are hung up inside the air-lock enabling aircraft wings to pass freely below. This hangar stood up to a hurricane in November 1969, but a few months later was severely damaged when an aircraft ran into it. The hangar had to be deflated but was in use again, re-inflated, five days later.

Structural developments are having an intense effect on industrial building in this country, as elsewhere, and are presenting architects and engineers with substantial challenges and opportunities which bring with them great responsibilities towards our varied environment. Practical application of new techniques and *materials must go hand* in hand with the most sensitive appreciation of the surroundings, rural or urban.



Cottam Power Station designed by architects Yorke Rosenberg Mardall

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Firms as developers

they have but to also hold on to their own *properties*. This *is* undoubtedly due to the fact that rent reviews are coming round with increasing frequency. Now down to around five years, some agents see this term reducing to three in the very near future. The attractions, therefore, of owning one's own site are again becom*ing attractive — especially since* the sale of a property results in a taxable capital gain.

Very often, though, an industrial company builds up a lasting relationship with a developer who naturally is called in for any physical expansion that takes place. So the de*veloper is not exactly left out* in the cold, even though certain aspects of the business have changed. Indeed, developers are constantly approaching industrial companies with ideas of exploiting property potential and receptiveness is working back down the line from the leading industrial companies who *have been well able to* look after their own property interests for some time.

There are a number of examples of recent deals done on a straight sale basis. One that stands out was the sale of the Westland Helicopter factory at Hayes. The point there was *that it was just not economical* to run a number of factories spread around the country, given the additional costs of ferrying components between plants. The decision was taken to switch production to Yeovil and at the same time Westland took £8.7m. from Slater Walker *who are redeveloping the site,* and after tax, profit was £2.13m.

The other current example, is Rockware which is asking for tenders for a 37-acre site. The bids are in and at a rough estimate of something like £200,000 per acre, clearly this is likely to be a very important deal indeed for Rockware (now *30 per cent. owned by Slater* Walker). The group has plans to up-date and modernise its plant, and envisages a major programme stretching over three or four years and costing in the region of £14m. The company has already had a rights issue, which will help, *and intends to fund this pro*gramme from its own resources. Presumably, the property sale will play a major role in this development. There is unlikely to be a shortage of tenders for a package of this size, given the acute shortage of prime industrial property and the num*ber of developers in the field* anxious to ply their skills.

Fallow land

Certainly it is rare to see a no-strings attached disposal of freehold land, with internal development or, at the very least, participation in any development becoming an important *part of the deal for the en*lightened industrial company, which if there is not the internal advice on hand, certainly employ it. So with internal advisers or agents, plus the property developers, on the look out for development potential it is extremely unlikely that an *industrial company will* have a factory sitting in the middle of fallow land. It is far more likely that something will already have been done to the land and any potential will probably be in redevelopment. The trend at the moment, though, would appear to be that companies are *becoming* increasingly anxious about the increasing speed of rent reviews. And while this continues, it is far more likely that ownership will be retained and that land may be used to bolster internal property development activities.

INDUSTRIAL PROPERTY X

Success story on estates

By KERRY STEPHENSON, Editor, Estates Times

There was a time when industrial estates were treated like drunken relatives. They were acknowledged—but only just. They were an evil necessity that had to be buried as far away as possible from residential neighbourhoods.

Because they contributed nothing to aesthetics, planners generally took the view that as long as they complied with normal planning, building and fire regulations, as much building space as possible could be crammed onto them. Hence the birth of multi-storeyed factories and warehouses huddled on top of one another with hardly sufficient room to drive a fork-lift truck through—let alone an inter-continental juggernaut.

Now we have almost gone the full circle. With land in such short supply often warehousing has to be situated close to residential areas. And planners are thus unable to set aside the demands of aesthetic appeal and the problems of noise (generated inside the buildings and by traffic to and from the estate) and waste disposal.

Foward thinking developers—private, government and local authority—have willingly accepted the challenge. And are providing estates which are visually attractive as well as practical. Because single-storey units are the most economical they are the norm. Often they incorporate an office frontage which is multi-storeyed.

Wide roads provide easy circulation for large vehicles and huge areas are being set aside for car-parking or even a multi-storeyed car park. More detail is being given to the finish of buildings which, although supported by a steel or concrete portal frame, are usually clad in attractive brick, rust resistant steel or glass fibre reinforced plastics. Trees, shrubs and lawns make the new generation estates attractive to employees and visitors. And acceptable, of course, to nearby residents.

Derelict ironworks

These modern landscaped estates have occasionally been the pivot of reclaiming a slum area. For example the much acclaimed Dixon's Blazes Industrial Estate was developed by Taylor Woodrow on a derelict ironworks in one of Glasgow's most depressing suburbs. Completed in 1968, the 35-acre estate employs around 3,000 on some 40 factories and warehouses.

Like new towns, industrial estates are a British concept. They date back to 1896 when the Trafford Park Industrial Estate was built near Manchester Docks. Other milestones in the evolution of industrial estates were those developed in the garden cities of Letchworth and Welwyn Garden City in 1903 and 1920, and the Slough Estate, built on the site of a redundant War Department Depot.

Ironically Trafford Park, which begun to fall from favour in the early 1960s, is now enjoying an unprecedented resurgence. The old fashioned and the redundant is giving way to modern buildings. Despite its age, it is still one of the largest and most comprehensive in the U.K. with access to road, rail and sea.

A similar "comprehensive" estate operating from the Midlands is the Pensnett Trading Estate, developed by Comley and Pitt Limited. Situated almost equidistant from Dudley and Stourbridge, it incorporates an 85,000 sq. ft. Government Training Centre, a 20-acre privately owned liner-train receiving centre, and open bond customs warehouse plus the normal range of advance-built factory and warehouse units. It has just announced that a speculative office block will be built there.

Shortage of land, however, prevents the repetition of too many Trafford Parks or Pensnetts—or the huge government backed Team Industrial Estate at Gateshead, developed by English Industrial Estates—or even the 300-acre Severnside Trading Estate, spearheaded by a subsidiary of Rio Tinto Zinc.

Most estates have to be more modest in size and scope. For example, David Charles, the Birmingham-based developers, are developing their 750,000 square feet warehousing scheme on a limited site at Felixstowe. Here even reclaimed land is being used for the expansion of the Port of Felixstowe which is handling about £1,000m. worth of cargo annually. Expansion is proceeding so rapidly that capacity will be almost doubled from 3m. tons to 6m. in the next two years.

Motorways, meanwhile, have been the springboard for scores of successful trading estates. Indeed, it is motorways more than any other factor which has contributed to the explosion of estates in the past 15 years. Few had ever heard of Worsley or Kearsley until the Lancashire motorway system began to take shape. Daventry, home of Green Shield Stamps' distribution complex, as well as Ford spare parts, owes its entire success to its proximity to the M1. It is a similar story with the Eldonwall (Town and City Properties) estate at Crick (near junction 18 on the M1) which houses a huge Volvo cars distribution complex.

Very astute

The Lyon Group, Britain's largest private developers of industrial estates, have been very astute in the development of their key road link estates. They have found customers for as much space as they erect in their estates close to the M4 and Heathrow Airport. Location ranks high in the success of industrial estates. But it is not a factor to be taken in isolation. If an estate is not within easy reach of a labour pool, it will fail hopelessly. Again there are sometimes inexplicable reasons why some estates prosper and others fail.

In the North, Barnsley and Doncaster have almost identical attractions but the former is a long way more successful in attracting outside companies.

The latest factors entering into estate popularity are availability of grants and "closeness to Europe." Both the Wilson and Heath governments have adopted carrot-and-stick policies to drive labour-intensive industries to the North, Wales and Scotland with varied degrees of success.

Critics have argued that the weapon of not granting industrial development certificates (IDCs) to factories wishing to expand in the South East and Midlands has cost Britain dearly in the competitive exports race. Also, they have argued that development grants have not been so much a carrot as "cream" for a company which was going North anyway.

On the other hand, the grants which have been operatin[g] the past 18 months or so beyond dispute encouraged and medium-sized compani[es] move away from the Mid[lands] and South-East. The trick[le] recent months has grow[n] almost a flood and there very few advance factory now available for imme[diate] occupancy on either authority or privately [de]veloped estates in Sco[tland] the North-West or North-[East].

"The "closeness to Eu[rope]" factor—some say it is jus[t] latest marketing catch phr[ase] looms large in considerin[g] success of estates at place[s] King's Lynn, Lincoln, Ram[sgate] Hull and Southampton.

Tragically — in term[s] efficiency and environm[ent] new estates aimed at the [Con]tinental-Connection, such Arrowcroft's industrial est[ate] Ramsgate, Taylor Woo[drow's] Hadleigh Road schem[e] Ipswich and Property De[velop]ment Partnership's Port[s]borough scheme as yet have motorway connectio[ns] their coastal locations t[o] main U.K. motorway com[plex].

Competitive ed[ge]

The motorways are c[oming] but until the gaps are some of their competitiv[e] must be blunted. This i[s] true of the Port of H[arwich] Industrial Estate. Harw[ich] rapidly becoming one major Sea-Link roll-on/ ports but lacks first-clas[s] access across to the A1. and the Channel Tunnel put the final seal of appr[oval] the spate of new estates are springing up in Essex and Sussex but meanwh[ile] motorways are giving and new estates in the M[idlands] and around Leeds, Man[chester] and Bristol-Cardiff all th[e] ness they can cope with.

Only 18 months ago it be reasonably argued tha[t] were too many estates c[hasing] too few customers. A[nd] capital invested in empty lative units up and do[wn the] country was a damaging on this country's resource[s] that argument looks de[ad] empty. To-day's biggest lem is usually finding the and materials to co[mplete] specific pre-let units as op[posed] to advance units.

Local authority as a partner

By NICK OWEN

The methods by which properties get developed are legion. In the industrial and/or commercial sectors one is always hearing of adaptations on well-tried principles and there seems little reason to suppose that the day is in sight when there will be no more variations on a theme.

It is, therefore, rather surprising that one of the basic practices of development of industrial property — the partnership between the private developer and the local authority—should still be very much in its infancy. This type of partnership has really only got off the ground in the last five years and in many ways it looks one of the best forms of development. This appears particularly so for the local authority, although there is still plenty of money in it for the developer. It may not be quite so lucrative as going it alone, but against this much of the gamble can be taken out of development for the private operator and at the same time he may well find he is walking a smoother path, particularly when he is seeking planning approval for his development scheme.

There is no hard and fast rule on which parts of a development the developer and the local authority will be responsible for. But as a broad guide, the local authority will almost certainly both buy the land on which there is to be an industrial development and will also retain the freehold of it.

Labour force

From then on, it has to be decided what sort of industry is to be catered for. This is one area where the local authority will retain control, since the idea inherent in a development is that it should not only provide employment in a particular district but that it should also be the right kind of employment.

Thus, the local authority can assess, with the help of the developer if it should so wish, whether there should be facilities for service industries, manufacturing activities or whatever.

If the site is close to major roads or motorways it will obviously be attractive to distributors. If not, manufacturing activity would be suitable, provided the industrial estate is sufficiently close to a town where it will find its labour force.

In any event, a local authority will probably only be interested in a partnership where the developer is willing to go along with idea of attracting relatively labour-intensive industries. This is because the prime inte[rest of] the authority is to p[rovide] employment in its area. [If it] can do this and be sure [of a] reasonable revenue, so the better.

Local authorities are notorious—unfairly in [some] cases—for their indecisio[n and] the time they will allow t[o go] by before positive acti[on is] taken. However, it was p[ointed out to] me by one developer that [once] the basis of a partnershi[p has] been established problem[s of] pushing through planning [appli]cations can virtually disa[ppear] in contrast to the exper[ience] which a developer may ha[ve] developing on his own.

Frequently, when plan[s for] an industrial estate have [been] drawn up the local auth[ority]

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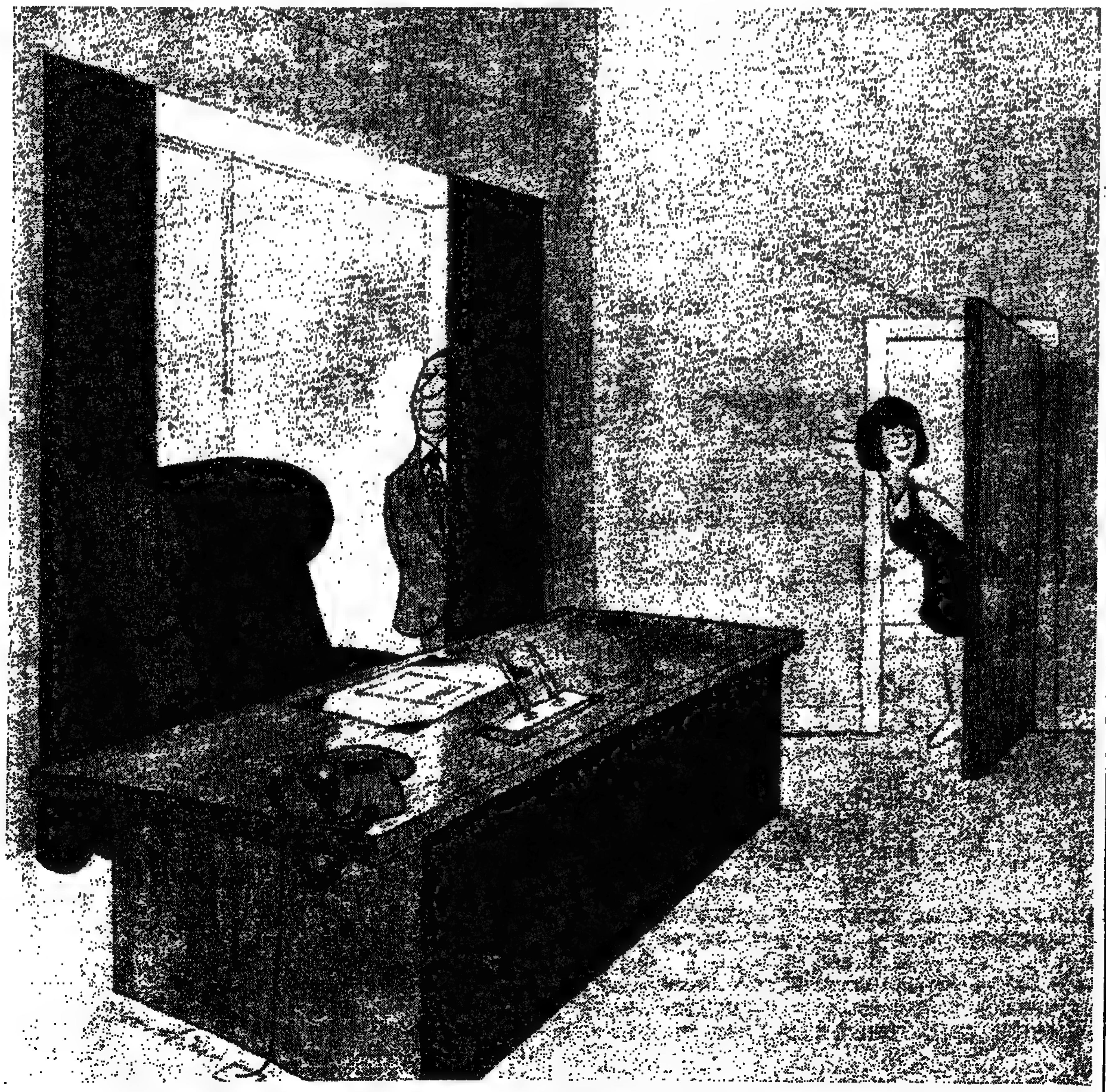

Strong demand for warehouse space

By KERRY STEPHENSON

Bread will soon cost more in this country not solely because there is a world *shortage of* wheat but because there is a shortage of warehouses in which to store it. In many areas of America's grain-belt there are huge piles of corn standing out in the open through lack of silos (a warehouse by any other name). Silos, of course, keep it safe from vermin and the elements.

Although wheat is a primary product dependent on the vagaries of the weather, its distribution problems are not unique. Manufactured goods, too, need to be stored ready for distribution. And if there are not sufficient warehouses the consumer suffers in the form of having to pay higher prices.

As a broad generalisation private developers provide most of the warehousing accommodation in the U.K. It has been the policy of government backed bodies like the English Industrial Estates Corporation and its Scottish equivalent to concentrate on providing labour intensive factories rather than warehouses. *The fact that warehouses* can often provide more jobs than a factory is beside the point.

Major contribution

Developers, meanwhile, have made a major contribution to this country's economy directly and indirectly. Directly in stimulating the construction sector and indirectly through helping to keep distribution costs down. That said, there is still a long way to go before U.K. distribution costs will be as competitive as those, say, of the United States. Throughout Britain there are still thousands of Victorian buildings in congested town and city centres being used as warehouses. Not only does the design of the building prevent the use of labour saving mechanical handling equipment, the buildings are also difficult to reach in peak-hour traffic.

The obvious solution then is for a company trying to survive in a congested building with inadequate floor loadings, varying floor levels and defective ventilation to move to modern warehousing close to motorway connections and transport key-points like airports, Freightliner depots and inland or coastal container ports.

Once the "move" decision has been taken the next question posed is, where? And *where* may depend on whether the *company wishes to buy the* freehold of its new warehouse, have premises built to its own specifications on an established trading estate, or simply acquire rented space in an existing advance-built warehouse.

The "where" is dependent of course, too, on whether the company is in primary distribution, secondary distribution, or just simply a major company requiring regional distribution breakdown centres.

The task of finding the right warehouse becomes daunting as the search progresses. Questions that quickly loom into prominence include:

- Is planning permission easy to obtain?
- Are basic services like water, electricity, gas and telephone available?
- Can the problems of waste disposal, noise levels, hours of occupation, telecommunications, fire protection, security, traffic turnround and daylight requirements be met?
- Is there room for *expansion?*
- If a warehouse is specifically designed for a specialised purpose now, will it be anything like as valuable in ten or 20 years' time when it may have to be re-let for another purpose?

This last problem is a two-edged sword. As a general rule land appreciates and buildings depreciate. Thus a company weighing up the pros and cons of freehold and leasehold has to tread warily indeed.

As a generalised rule medium-sized companies can be accommodated by speculative developers more easily than the very small and the very large.

Two years ago when supply of advance warehouses had overtaken demand, developers like the Lyon Group were inviting companies to: "Phone today — move to-morrow." This type of instant availability is extremely rare during our present industrial boom. To-day's message is more likely to be: "Phone to-morrow and we will try to have accommodation ready for you in six months' time."

Admittedly, certain companies requiring standardised types of premises could move quickly but for the majority it has to be a carefully phased change-over. Take for example, Sainsbury's decision to decentralise from their Blackfriars complex in London.

To move just one section—bacon processing—took around three years to complete. Moving from Blackfriars to Haverhill, Suffolk, meant a new abbatoir had to be built, followed by a new meat processing plant, new offices and new primary distribution facilities. In this instance Sainsburys were singularly fortunate in that Haverhill had a surplus of homes available to make the movement of staff much easier. Also, Haverhill is well located in relation to Sainsbury's large distribution complexes at Hoddesdon and Buntingford, Herts.

Latest magnet

Success breeds success and the popularity of warehousing developments near the motorway inter-changes is prompting even relatively inexperienced industrial developers to provide estates in these locations. The latest magnet is "Spaghetti Junction," near Birmingham—completed last year. The Parkin Group, in conjunction with the Schroder Property Fund, are developing 250,000 sq. ft. of industrial space at Perry Barr and Flaxyard have 354,000 sq. ft. programmed for their Spaghetti Junction Industrial Park. Another development geared to "Spaghetti Junction" is Bryant Samuel's Gravelly Industrial Park. This 90-acre scheme on either side of the M6 is (like the others mentioned) ideal for local, regional and national distribution.

Other key distribution centres which have come into prominence by motorway are Leeds, Slough, Reading, Swindon, Northampton, Crawley, Cardiff and Bristol.

Significantly some of the highest rents being paid for warehousing are on the "Heathrow Airport belt" along the M4—one reason, no doubt, that prompted the Lyon Group to announce the go-ahead for their sixth industrial development near Heathrow.

Up in the North-West another popular distribution belt has developed near the criss-cross of motorways taking in the M62, M6, M56 and M63. Among companies to announce major distribution complexes in this area are Brooke Bond-Oxo, Kwik Save Discount and Status Discount which are taking huge pre-lets on a £12.5m. estate being developed by Portal Developments at Ashton-in-Makerfield. This is another classic airport situation, being 40 minutes from Manchester's Ringway Airport and 25 minutes from Liverpool's Speke Airport. There is the added bonus too, of close proximity to Liverpool and Manchester container docks.

Rising rapidly as a distribution and warehousing centre for southern England is Southampton—the one-time passenger liner terminal now given a second lease of life by new container docks, and quick access to Heathrow from the extension of the M3 and the growing M25 link to the M4.

Despite London being handicapped by the absence of a ringway motorway system, some refurbished warehouses in centres like Mitcham, Southwark and Greenwich are in strong demand as regional distribution centres. The Park Royal area of North-West London—once a massive concentration of factories—is rapidly becoming a mass of warehouses.

Warehouses are becoming larger—both in ground dimensions and height — and it is almost certain this trend will continue. However, one or two voices of warning have been raised that warehousing is getting slightly too sophisticated. Should there be major power shortages the computer-linked automatic handling systems could be brought to a standstill overnight, resulting in delayed deliveries at best, and chaos at worst.

For the moment, however, there is an unprecedented demand for modern warehousing and not surprisingly U.K. companies are finding they are often in competition with Continental firms for advance units coming onto the market. Despite what Secretary for State Mr. Peter Walker wants us to believe, Continental firms are exporting more to the U.K. and avidly acquiring accommodation to facilitate their export drives. This is good news for speculative developers — many of whom are now trying to lead the U.K. export drive on the *Continent. If U.K. manufactur*ing companies join them, then everyone should be happy.

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Local authority

will take on the responsibility of building service roads, putting in street lighting, landscaping areas not covered by buildings and providing all other necessary service facilities.

If they do not have sufficient cash for the purpose, the developer may take responsibility for building the roads and installing facilities, with the authority adopting the roads at a later date and assuming maintenance responsibilities. Alternatively, if the site is fairly sizeable, the authority could sell a small parcel of land (which would still be included in the estate) to raise its necessary finance.

Once it has been established what type of industry the local authority wishes to attract it is essential to start looking around for customers since a reasonable balance will be required in respect of the number of buildings which are to be custom-designed. Obviously, it is desirable that some units will be available with no particular tenant in mind, but from the developer's point of view at least it seems that the aim should be for having between 60 per cent. and 75 per cent. of the buildings pre-let.

Incidentally, it is when attracting tenants that another advantage of the local authority/private developer partnership comes to the fore. Since the developer does not have large *sums of cash tied up in land,* it will have greater resources to direct towards publicity. At the same time, the local authority can do its bit in this direction by offering, even if only on a limited scale, housing for key workers of any industry willing to set up business in the area.

Raising finance for industrial developments does not appear to be particularly difficult for the developer. It needs to be long-term funding and one of the companies spearheading the partnership field, Arrowcroft Investments, has raised several millions of pounds of long-term mortgage money with Sun Life Assurance of Canada. It has also raised cash with Old Broad Street Securities, the merchant banking arm of United Dominions Trust.

Principal objectives of a partnership, according to one developer, should be to co-ordinate the estate by controlling the type of lettings and also the type of buildings.

While there are those developers who see total control of an industrial development preferable to partnership, those committed to working *with local authorities consider* there are real advantages to both sides and that there is a good future for such schemes.

It seems to be felt that local authorities are well able to handle the purchase of suitable land and to assess the kind of industry they are seeking to attract. On the other hand, they will generally have little experience of developing factories and warehouses and similar types of industrial property, which is a good reason for leaving it to the experts.

Commercial redevelopments in partnership, such as for central areas of towns and cities have been a feature for many years and a lot have proved to be *highly successful,* so there seems no reason to believe that there will not be plenty of room for those authorities and developers which want to join forces in the industrial sector.

INDUSTRIAL PROPERTY XII

Government aid to regions

By ROY HODSON, Regions Editor

Section VII of the Industry Act which came into force in August 1972 provides powers for the government to give selective financial assistance to industry in the regions. A year later it is clear that the new factor of selective assistance within the total regional aid package is having important effects. The regional industrial offices of the Department of Trade and Industry have agreed to pay out £21m. in loans and nearly £5m. in interest relief grants in the year. That help relates to some 250 industrial projects which will have a total value of £100m. and will create some 25,000 new jobs. The men in the regional offices are convinced that a number of the enterprises, which they have had to study in detail in the process of deciding whether or not to approve selective assistance, simply would not have happened without some special form of help.

The regional break-downs of cash so far approved and the expected number of new jobs are shown in Tables 1 and 2. Scotland and the Northern region, the two economic areas where the need to promote new industrial activity is most urgent, are clearly benefiting from the selective assistance system.

80,000 jobs

Table 3 shows the applications still being considered, region by region. Already they amount to nearly 1,000 applications worth £82m. which, if all approved, would go towards generating some 80,000 new jobs in new projects.

That the selective assistance policy is continuing to give help in those parts of Britain where it is most needed is shown by the high level of applications from Scotland and the Northern Region—£21m. and £27m. respectively. According to the Department of Trade and Industry the flow of further new applications is also showing a rising trend.

It is too early to risk a guess as to whether the demand for selective assistance—accompanied by justification for it—will continue at high levels or whether the £100m. or thereabouts now either paid or being considered will represent a once-and-for-all spate of industrial development taking advantage of unusual government bounty. Certainly the regional offices have found themselves dealing with a great number of businessmen who previously have been frustrated in ther growth plans by cash problems. When the needs of the good risks among them have been satisfied it remains to be seen whether a new wave of budding entrepreneurs will arise behind them.

Even though selective assistance has emerged during this past year as a novel and valuable form of assistance for the encouragement of industrial expansion it is by no means the major factor in the government's regional assistance policies. Whereas some £25m. has been paid out in the first year of the Industry Act on forms of selective assistance the government is expecting total spending on regional aid up to the end of the current financial year comfortably to exceed £300m. Thereafter it is expected to remain at between £300m. and £320m. a year for two or three years. These figures do not include the Regional Employment Premium which is costing the government £100m. a year and which is due to be phased out from late-1974.

The government accompanied the Industry Act with a promise that chopping and changing in the area of regional policies was over and that the systems under the Industry Act might be regarded as stable for several years ahead. That may prove a wise reassurance. In the past many companies have caught a cold by making investment plans on the basis of regional assistance policies which became obsolete even before the work was implemented. But the promise of stability under the Industry Act coupled with the inherently simple nature of the system of grants for plant and buildings embodied in it came at just the right time to catch industry at the beginning of a boom and in an expansionist mood. As a result industry is drawing more than £200m. in regional aid during the current year (quite apart from the special situations of selective assistance mentioned earlier). That is twice as much regional aid as went to industry last year.

Control lever

A further expanionist factor has undoubtedly been the easier attitude of the Government towards restrictions upon industrial development. The industrial development certificate system may be necessary as a control lever for Whitehall. But it has proved down the years to be most irksome to business on the expansion road. Now IDC's are no longer needed in the development areas and factories under 10,000 square feet are exempted in other areas except for the South East. That relaxation has been well received by industry.

There have been local pressures these last few months on the Government to change the present pattern of assisted areas — by extension or upgrading to a higher category. The Government has resisted. The official argument is that the assisted areas were carefully drawn in the first place and if they are to do their job then time and stability are two important factors.

One reason for local anxiety about designations within the system of assisted areas has been a natural desire to be rated as highly as possible for assistance before the European Economic Community system of dividing countries into peripheral and central areas is applied to Britain. But the commissioners have side-stepped that potentially explosive question. Recognising that Britain has special regional problems not paralleled by other member nations they have agreed that, for the time being, the British development areas and special development areas will not be classified one way or the other. Thus the fears of some assisted areas that they might end up as being "central areas" on the Brussels map of Europe have been allayed for at least a year.

One of the most important aspects of the new government approach towards industrial expansion has been the emphasis upon contacts with industry, persuasion, and the provision of information. This approach stems from the sound argument that most industrial growth is likely to come from existing companies—as long as they can be persuaded to think bigger. As Minister for Industrial Development, Mr. Christopher Chataway, who is no mean publicist, has toured the regions cajoling industrialists into taking the plunge. His new network of regional offices regard themselves as publicists in a style which is quite refreshingly different from the traditional Civil Service approach. The latest of a series of interesting efforts to get industry on the move after years of stagnation has been the setting up of permanent regional information centres for small firms. The first has been opened in Newcastle-upon-Tyne and it is intended to have one in each of the ten regions by the end of this year. They are to act as the link between the government and its desire to help small businesses become bigger, and the small men (and their problems).

TABLE 1

How the regions have benefited from selective assistance during the first year of the Industry Act.

	£
Scotland	6.7m
Wales	3.7m
Northern Region	9.6m
North West	3m
Yorkshire and Humberside	2m
South West	0.6m
East Midlands	0.5m

(figures to end-June 1973)

Assistance takes the form of loans, interest relief grants, and removal grants.

TABLE 2

The Department of Trade and Industry's assessment of jobs being created in the regions by selective assistance approved up to end-June.

	New jobs
Scotland	5,500
Wales	3,700
Northern Region	7,300
North West	3,100
Yorks and Humberside	3,700
South West	900
East Midlands	500

TABLE 3

Applications for select[illegible] assistance which are before [illegible] Department of Trade [illegible] Industry.

	Lea[illegible] an[illegible] Remo[illegible] Gra[illegible]
Scotland	21[illegible]
Wales	12[illegible]
Northern Region	2[illegible]
North West	14[illegible]
Yorks and Humberside	5[illegible]
South West	1[illegible]
East Midlands	6[illegible]

Industry in the regions is [illegible] seeking interest relief g[illegible] under the Industry Act on [illegible]posed loans totalling ne[illegible] £50m. Such grants could [illegible] the Government more t[illegible] £1,500,000.

Access to motorways

By PETER FOSTER

Recent controversy over motorways has centred very heavily on the urban type, but the inter-city schemes have certainly not been without their opponents. In fact the motorway has always been a great divider of opinion, with the conservationists and the growth and regional development enthusiasts very much on opposite sides of the contentious road. In terms of benefit to the regions and regional property values, however, the motorway developments of the last 15 years—which have provided the country with well over 1,000 miles of high quality roads—have succeeded in doing something which no realistic amount of financial aid could achieve; they have removed the question mark which the industrialist saw whenever he looked North. Moreover the positive attractions of the intermediate, development and special development areas which now exist are being actively brought to the industrialists attention due to pressures elsewhere. Managers are facing mounting industrial rents in the South in conjunction with an Industrial Development Certificate policy deliberately aimed at dispersion of factories. They are thus being forced into the regions, and they are finding that they like what they see.

It is, of course, the Government who builds roads and it has been their policy which has led to the present situation. Distance means time to the industrialist so improved communications mean, for practical purposes, a reduction of distance. The policy of the Department of the Environment, however, must be seen in conjunction with that of the Department of Trade and Industry, with whom it is brought together under the aegis of the Economic Planning Board. Motorway extensions are beginning to make the system of grants and loans of the DTI begin to look almost like icing on the cake. For the special development areas of the very North of England and Scotland there are grants of 22 per cent. for both plant and machinery. For the Development areas there are grants of 20 per cent. and for the intermediate areas like the East Midlands there are 20 per cent. grants available only for building. Nevertheless the East Midlands finds that it is suddenly booming. The Derby intermediate area, for example, has noticed a sprouting of industrial estates around Junction 28 of the M1, and these estates are thus attracting increasing rentals.

Prime status

This is a pattern which is being found throughout the Midlands and the North, with sites having access to motorways developing a prime status. Around Manchester, for example, there are many cases of areas which have been for years stagnant in terms of rental and land values but which have now experienced rocketing demand. Sites which were fetching no more than £3,000 or £4,000 just three years ago are now coming on to the market and realising sums in excess of £20,000. Five years ago the North of Manchester was practically devoid of industrial estates; now the intersection of the M62 and the M61 has made the area one of the most popular in the North West. Similarly Warrington was stagnating three years ago until suddenly it "developed" three motorways. Now the trend is firmly upwards.

Other examples abound. Chester and the M6, South Leeds and the M62 and M1 and Bristol and the benefits of the M4, which are spilling over to Wales. In addition some areas which were already industrialised but were in decline have been revitalised by the new motorways. One particularly outstanding example of this is the Trafford Park Industrial Estate, which was one of the earliest examples of this particular form of industrial centralisation. In its earlier days its principal assets had been its rail and port communications. Over the years, however, these features declined in importance. Now that it has its own motorway, however, things are booming again.

Of course although factories

Continued on next page

Mixed demand in London

By PETER RIDDELL

London occupies a somewhat curious position amid the general prosperity of south-east England. The highest industrial rents anywhere in the U.K. are to be found in London, as are the lowest industrial yields, but at the same time the capital faces a serious problem of industrial reorganisation with a continuing rapid rate of decline of manufacturing employment and, until recently, serious unemployment in certain areas.

The contrast between the buoyancy of the rest of the south-east, especially the inner Home Counties, and London was brought out clearly in the recent Industrial Property Review of Allsop's, the surveyors. Based upon a survey of available industrial property throughout the country the survey showed that while the number of units available in London fell sharply during 1971 there has been a 26 per cent. increase in the number of units on the market in the past 18 months—at a time when the industrial property market as a whole has been passing through an extremely bouyant phase.

Although there has only been a slight increase so far this year, the recent trend is in sharp contrast to the experience almost everywhere else in the country, apart from the north western and eastern regions. The contrast appears even more striking when London is compared with the position in the Home Counties. Thus since the beginning of 1972 there has been a fall of about 15.5 per cent. in the number of available units, and an even sharper drop since the middle of last year.

The situation is largely expained by the continuing decline of inner London as a major manufacturing centre. This partly reflects large closures and redundancies, such as those in the Woolwich-Greenwich area in 1968-69, but an equally important factor in the overall trend has been the closure of many small workshops and back street factories on the fringes of inner London, in places such as Camden, Islington, Southwark, Wandsworth and Tower Hamlets.

Reasons for decline

There are a number of reasons for this decline—in particular the reorganisation and rationalisation of industry following the takeovers of the mid-1960s, the increasing problems of congestion in inner London, the incentives and advantages in terms of cheaper labour and lower overheads of moving elsewhere, the difficulty of modernising existing factories—and not least the considerable attractions of redeveloping valuable inner city sites.

In the 5,500 acres covered by the recent dockland study, for example, over 15,000 jobs were lost between 1966 and 1971, and a further fall from 53,000 to 30,000 or less in 1991 has been forecast if no action is taken. In Wandsworth, there was a 25 per cent. decline in manufacturing employment in 1966-71, while in the London area as a whole, 400,000 jobs disappeared in the decade up to 1971. And it has been estimated that the total number of industrial jobs—1.2m. in 1971—could be halved by 1991.

This would seriously worsen the long-term unemployment position so that certain areas of London could have as bad a problem as some parts of the assisted areas. And it is not really a satisfactory answer to argue that displaced dockers aged 40 or more, or factory workers, should become waiters or hotel workers. This is not, however, to deny the need for more flexibility and a willingness by trade union groups to accept that the service sector is the growth area in London.

There has been an understandable political pressure to ensure that adequate alternative industrial employment is provided. This has been the rallying cry of the local authorities and the Greater London Council in relation to the proposed redevelopment of the docklands.

Stumbling block

But this demand immediately comes up against the stumbling block of Government policy which is to restrict the growth of industrial development in the south east of England via the Industrial Development Certificate system and to divert employment to the various assisted areas, by means of a whole range of incentives. The IDC policy has come under considerable criticism, both for the tough way it is implemented—which appears to be far more *stringent* than the parallel Office Development Permit system—and for imperilling the balanced growth of the capital. Thus some companies believe that they can operate most effectively in or near London and so resent the restrictions imposed by Government control which, they think, hamper their efficiency.

IDC's have, in fact, been very much more difficult to obtain since the present Government came to power in 1970. While in 1970 448 IDC's were issued for projects in the Greater London area, there were only 261 in 1971 and 227 in 1972. Although buildings of less than 10,000 square feet have been exempt from control since July 1972 this has made little difference to the overall position.

There has been little research to establish exactly how much demand there is for factory space in London. Indeed, this will have to be one of the main questions which the planners will have to establish in the dockland study area. But the answer also depends in part on which area of London is being discussed. Much of the empty space is in old (often pre-war) multi-storey property in inner London, for which there is relatively little demand and which is consequently difficult to let. *This can easily be confirmed* by a glance at the agents' boards in, say, Islington or Southwark. Most industrialists do not want to retain an outmoded factory in the congestion of inner London. There is, however, a far greater demand for *space, and a shortage of units,* in outer London where communications and the general environment are much better.

The difficulty is that the IDC system prevents the expansion and modernisation of existing factories. As the recent London *Chamber of Commerce article* pointed out, the longer IDC control is strictly applied the less attractive London's outworn factories will become. The article called for a relaxation of the IDC "stranglehold" on industrial development in Greater London — not so that London should be encouraged to seek new industry, but that it should have a fair chance to modernise its existing factories.

The same topic was also raised in the Layfield Report on the Greater London Development Plan. In evidence to the committee it was pointed out that in the north London borough of Brent 3.75m. square feet of industrial floor space became vacant between 1969 and 1971, of which only 844,000 square feet was reoccupied.

Many of these planning questions have yet to be resolved satisfactorily as Government decisions are awaited on most of the major recommendations of the Layfield report, the exact way in which the Dockland study area will be redeveloped is still far from certain. So the existing trends are likely to continue with a further decline of the older industrial areas of the inner city coupled with expansion, albeit restricted, in the outer boroughs.

Most of the demand has, as usual, been focused on modern single storey units, and developers in outer London and the surrounding Home Counties have found they have had no trouble in disposing of units almost as soon as they are available. But while multi-storey units are increasingly less acceptable for many businesses there is still a demand from certain light industrial concerns which do not require frequent bulk loading and transport in or out every few minutes.

This type of premises can still appeal to small firms—not least because the rents are often only 60 per cent. or so of the rate for new single storey space on the same site. *Thus in* Westminster Bunting's redevelopment of the 25 acre former AEI site at Woolwich the rent for renovated multi-storey space is now about 70p a square foot while the rate for new single storey factory or warehouse *space in the same scheme* is now up to £1.25 a square foot. Businesses involving the frequent distribution of bulk products, such as food or certain categories of consumer goods, will normally opt for the latter.

The strongest part of the *market has been in north London* in the area around Watford. The combination of a shortage of sites, buoyant demand and rapidly rising construction costs has pushed rents up to between £1.25 and £1.50 for top quality property (depending on size), compared with about 95p to £1 a square foot a year ago. This area has a number of advantages—notably good communications with the motorway system plus a ready supply of labour. There have, however, been one or two signs recently that the market is in danger of overheating since the only way some of the recent prices paid for land can make economic sense on present yields is if rents climb to nearly £2 a square foot. This is taking an extremely bullish view though the sheer shortage of suitable premises does put the developers in an extremely strong bargaining position.

An even higher growth rate, though slightly lower absolute level, of rents has been recorded in St. Albans. Rents for medium-sized warehouse units have climbed from 75p to 80p in the late summer of 1972 to a level of £1.25 to £1.30 a square foot at present. Indeed a significant feature of the rental picture in London over the last year has been how quickly the supposed £1 a square foot "barrier" has been broken and forgotten.

While there is still a fair amount of empty older space in the East End there has been a strong market on the eastern fringes of the GLC area and in Essex and rents have moved up from 65p-70p a square foot to 95p-£1 a square foot within about six to nine months.

Highest rents

Apart from Watford, the highest rents in the London area have generally been achieved in South London, in parts of Mitcham and Merton, where the rate for a unit of around 10,000 square feet is now about £1.25 or so a square foot, A roughly similar level is also being reported in Lewisham and Greenwich.

The previously fashionable Heathrow area has been somewhat left behind in the rapid rental growth of the last year. While there is still considerable interest in this area there is a lot of property available at around £1 a square foot. This *is partly explained by the very* large amount of development which has recently been under way in the area. Three big estates have been developed and earlier it was estimated that about 1.5m. square feet of space was in the pipeline. This factor has held down the rate of growth of rents even though these estates are now letting well.

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Motorways

which serve only a local area need not be close to a motorway the established trend is for any kind of producer or distributor who has wider ambitions to seek a prime site on a motorway. If his ambitions are national in scale this is absolutely essential. This has had a predictable effect on industrial rents in the regions. Although there are still pockets where rentals of 50-55p still prevail, prime local sites are fetching 65p-70p.

There is the difficulty of separating the effects on rentals and land values of the motorway from those of the general economic climate. Until fairly recently there was a definite narrowing of differential rents between the South East and other, motorway-served, areas. However, the boom conditions of the past few months have tended to force rents around London sky high. Nevertheless *there can be no doubt that under* "normal conditions," that is of steady growth at the rate of underlying productive potential, there would, and will, be a narrowing of differentials.

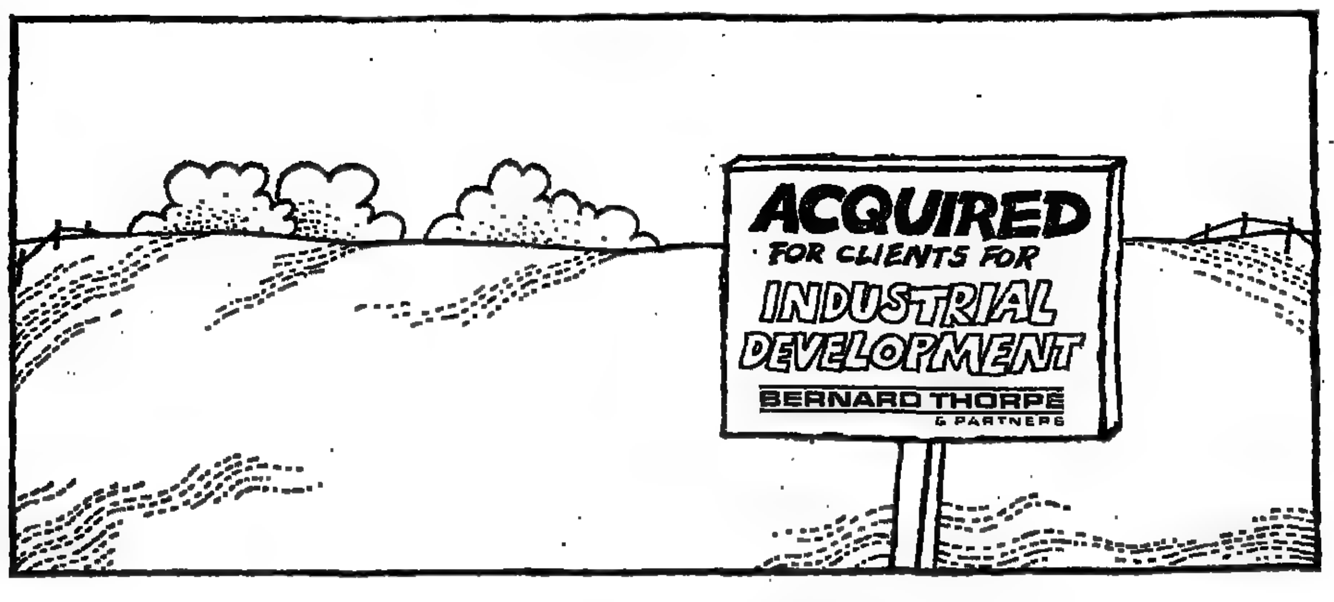
If access to one motorway is a good thing for manufacturers and distributors, then access to two is obviously even better. This means that the really prime locations are increasingly to be found at motorway intersections. Here rental and land values are accelerating the fastest. There is an inevitable tendency among property investors and developers to anticipate future demand on the basis of projected motorway and first class trunk road developments but at least one of the larger companies feels that, due to Governmental tendencies to chop their road programmes around — as has been seen most recently in the economic inspired cutbacks and also the scrapping of most of the London ringway scheme — it prefers to see the road actually under construction before it starts investing.

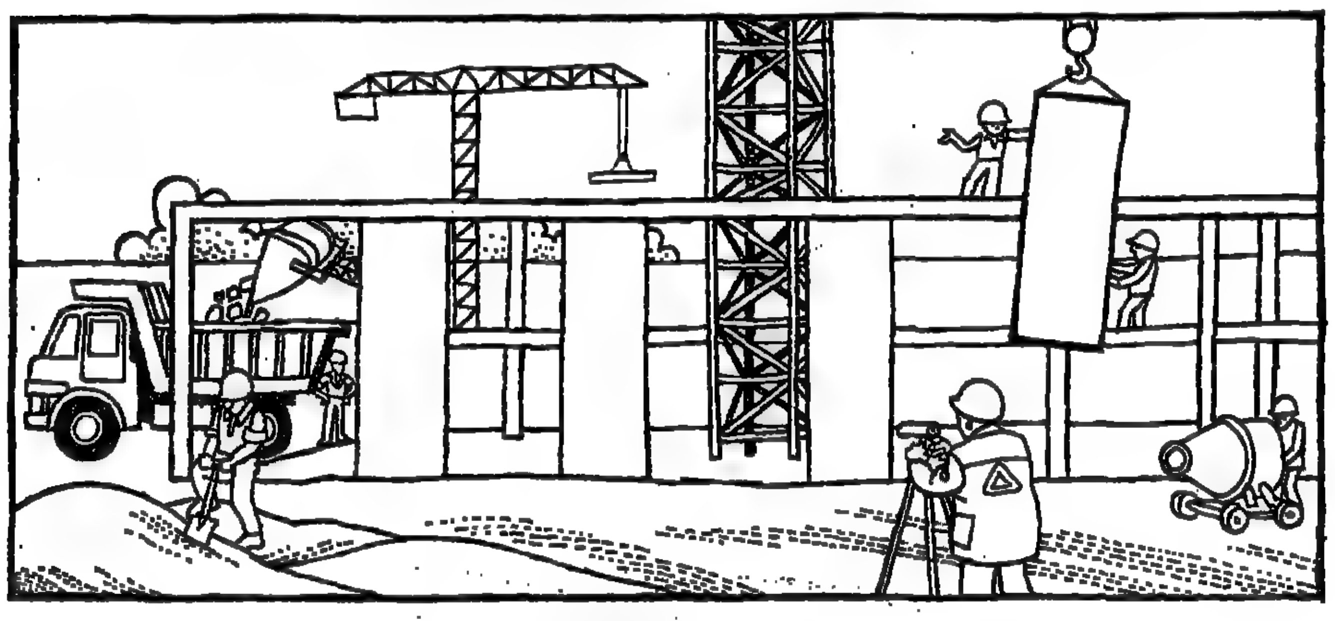
Insofar as it is the very hub of the motorway system Birmingham is deriving tremendous benefits. However, the increased access which the motorways provide is not without its disadvantages. Congestion and urban sprawl are the prices which Birmingham is now paying for lack of planning in previous years. Another problem which is a constraint o nchoice of regions is the availability of labour, but this is something which can be solved by closer co-ordination between the DTI and *D of E to provide services such* as housing.

The trend here is for the developers to consider taking their estates nearer to the strategic motorway sites rather than developing near the labour supply as was previously the case, *thus making the work* force travel further to work.

The actual form of the industrial estate, which was essentially intended to allow more than one factory to share public utilities and other services, is being modified by changes which the motorways are bringing. The transformation is, to a certain extent, indirect, since the real factor which is changing the shape of the industrial estate is the increasing use of juggernaut lorries carrying containerised loads. The estate *developers have always* provided purpose designed buildings with a full range of specialised services on site, but speculative or advanced developments have to take a number of new features into account. In order to accommodate the giant vehicles, for example, eaves' heights have to be hoisted considerably. Stacking heights are also increasing and are now going up to 50 feet. This is on top of the changes which computerised warehousing is bringing in its wake. The juggernaut lorries also require more space, thus there has to be a much larger area of unrestricted room for manoeuvre of the largest vehicle. In addition there is hard standing room needed for containers, so that these can be loaded and unloaded without hampering other operations.

The next development which we are likely to see will be related to the confinement of juggernauts to specific motorways, which will mean the introducton of special depots for "stuffing" and "unstuffing" before distribution over the trunk road network. This will almost certainly increase the attractions, and thus the values of junction and intersection sites. However, the present combination of grants, diversionary development certificate policy and the attractions of relatively cheaper rentals look like making the motorway sited industrial estate a growth area for some years to come.





INDUSTRIAL PROPERTY XIV

Interest picks up in N. Ireland

By RHYS DAVID

It has been one of the more surprising features of the four years of turmoil which Northern Ireland has suffered that industry and commerce in the province have been able to carry on more or less without interruption.

Factories have been bombed and burnt out and temporary schemes to rehouse industry affected by the troubles have had to be put into operation, but despite the 6,000 bombs which have exploded in Northern Ireland since 1969 only 12 companies have gone out of business directly as a result of the terrorist campaign—a substantially smaller number than were affected by earlier restrictions on credit in the U.K.

Where the troubles have perhaps made a difference is in delaying or preventing developments within the Northern Ireland economy which might otherwise have taken place, as some of the trends within the industrial property field appear to confirm.

Inquiries from industrialists seeking to expand in the province, particularly those based in other parts of the U.K., have been down substantially, and a number of concerns not represented in Northern Ireland seem likely to have at least delayed plans to distribute their goods there. The industrial property market has as a result been slower to develop than in comparable British regions.

Government approach

Nevertheless there are signs that interest is picking up under the impetus of the U.K.'s current boom and this is likely to be reflected in increasing demand for space in the province in coming months.

Because of the problems which Northern Ireland has faced continuously for the past 25 years in adapting its industrial structure, the job of providing factory space for manufacturing industry has devolved almost entirely on the Government and this is likely to remain the only source for the foreseeable future.

New employers have been needed to accommodate the drift of labour from agriculture and from declining industries such as textiles, and new factories have been needed to replace the out-dated mills in which much of the industrial labour force was once employed. The Government's approach, as in other development areas, has been to offer a package of incentives including purpose-built and advance factories at below cost rentals and for this reason there has been no real role for the private developer in this field.

The service sector, despite its employment potential, has remained outside the scope of Government incentives, however, and it is here that the private developer is now beginning to find an increasing role. This is particularly true of Belfast, where demand for warehousing and distribution space is currently running ahead of supply. Rates of 60p per sq. ft. are now being asked for industrial floor space, rates not very different from those applying in comparable British cities, and clients making their first inquiries now could probably not be fixed up before the beginning of the New Year.

The obsolescence of traditional warehousing and storage facilities is one reason for this. Old city centre mills have been converted into warehousing, but with much of the traffic between Britain and Northern Ireland now containerised larger and more modern storage depots have become necessary.

The troubles have also made some relocation necessary but of much more importance has been the extensive redevelopment programme currently in progress in Belfast itself involving the demolition of substantial amounts of property and the construction of major new highways. As a result a number of companies have been obliged to seek new premises outside the city centre in Belfast's suburbs and satellite towns.

So far this demand for non-manufacturing industrial space is coming largely from within the province and is being met by a handful of local property concerns. As a result there has been very little speculative building in advance.

This lack of speculative building reflects in part the absence from the scene in N. Ireland of the major British industrial property developers, who have been quick to move into other British development areas to provide service industry and warehousing sites at points along the motorway system.

Belfast area

The province's Ministry of Commerce is now taking the view however that in the Belfast area at any rate the returns to be gained may be sufficient to make it worthwhile for private developers, including British-based concerns, to consider complementing the Ministry's own development activities. As a result, and as an experiment, the Ministry is currently offering private developers a parcel of 33 acres on the outskirts of Belfast.

The site, half a mile from a major motorway interchange and five miles from Belfast docks, is being offered on lease and full development assistance will be available should the developer attract a manufacturing industry client. The most likely demand however is thought to come from service and warehousing concerns. Other parcels of land are likely to be released if sufficient interest is shown in this site.

The main factor which has to be taken into account, however, in assessing the possible growth in demand for industrial floor space is the smallness of the Northern Ireland market. The province has a population of only 1½m. which makes it smaller than other British regions. Against this, however, the sea journey makes it necessary for any concern which wishes to be represented in the market to acquire premises in the province as it cannot easily be supplied from bases across the water.

In different political circumstances N. Ireland could have a wider role as a centre for the distribution of goods over the whole of Ireland as it has the advantage of the shortest sea routes to Britain and proximity to the manufacturing centres of Northern England and central Scotland. Such a development might have been expected within the context of the EEC but the troubles have at least ensured a postponement

The manufacturing sector is being catered for by a factory building programme currently running at the rate of £10m. per year and there is probably no area in Europe where the industrialist can get better terms for setting up in business.

The Ministry exercises the brief in Northern Ireland which the industrial estates corporations in England, Scotland and Wales perform in their respective territories, acquiring land in key centres throughout the province and building either in advance of demand or to meet specific requirements.

The Ministry is working currently to the policy laid down in a five-year development programme up to 1975 which selected three centres of accelerated growth: Greater Belfast (including Craigavon, Antrim, Bangor, Newtownards and Carrickfergus), Londonderry and Ballymena, and eight other key centres, Coleraine, Downpatrick, Dungannon, Enniskillen, Larne, Newry, Omagh and Strabane.

The Ministry's armoury of incentives includes its advance factories, 30 of which have been built in the last two years at a cost of £5m., building, plant and machinery grants, and in ... of ultra-high unemployment ... per cent. funding of new ... jects. Rents for Government factories can be as low as 15p per square foot for large units in the far west ... Londonderry and can ... only 20p in Belfast.

Most of the factories ... the range 7,000-70,000 ... feet but a number of smaller units are now ... built for another development body, the Local Enterprise Development Unit. The ... sation aims to promote employment in existing businesses, to encourage enterprises by local people to foster craft work.

Small towns

Factories sponsored by I... have been built in many o... small towns in Northern Ir... and in 1972-73 a total of 9... jects from which more th... thousand jobs are exp... were assisted.

The pace at which these ... ernment facilities are take... and at which private devel... move in to provide comple... tary facilities are likely ... determined by two factors ... progress which the pro... makes towards political sta... and the continuance of the ... in the British economy.

Expansion in Wales

By JOHN PHILLIPS

With an upsurge taking place in the Welsh economy industrial property development in the principality has started to boom. Property companies are doing better now than they have ever done and the Department of Trade and Industry almost cannot keep pace with the demand for new factories from firms expanding out of the Midlands and South East.

Industrial expansion is taking place over a wide area of Wales—even in places without development area status like Cwmbran New Town and Newport. New industrial estates have been set up in Bridgend and at Llantrisant, where a new town has been proposed. And a big anticipated growth area is Swansea and Pembrokeshire where developers hope to cash in on the oil boom if discoveries are made off the Welsh coast in the Celtic Sea.

Wales is hoping to reap the same benefits from oil as the North East of Scotland—particularly Aberdeen—are now getting. BP have already decided to establish their exploration programme's supply base at Swansea docks where they have negotiated warehouse accommodation. Other firms that service the oil industry are looking at sites in the city to establish small factories and and more warehouses. In Pembroke Dock, from where Shell are currently supplying the first drilling rig to operate in the Celtic Sea, a £1.75m. development is already under way.

New subsidiary

The Lyon Group, which has formed a new subsidiary to handle its South Wales and West Country interests, has acquired an 11 acre site for which it has planning permission for a hotel, petrol station, warehouse and offices. It hopes to start building the 100-bedroom hotel to cater for the needs of oilmen next year. The company will have up to 50,000 square feet of independent offices and plans to build 70,000 square feet of warehousing and small factories.

A spokesman for the firm said: "This area has excellent potential relative to oil and gas exploration in the Celtic Sea and is ideal for companies whose business it is to service these industries."

By forming the new subsidiary the Lyon group has strengthened its interests in South Wales which they believe has tremendous potential from the area of the Severn Bridge and westwards along the coastal strip. Overall the new company is investing something like £15m. in a property development programme in Wales and the West Country which, they say, will create 4,000 new jobs. In addition to Pembrokeshire, they have centred their South Wales activities on Newport, where they have developed a 21-acre industrial estate for warehousing, distribution and industrial usage; at Bedwas with a 77-acre industrial estate with 40 acres remaining for further development; at Cardiff with a 13-acre industrial estate and at Llantrisant, with a 23-acre industrial estate within the special development area.

Big development

At Newport they proposed to build 420,000 square feet of factory and warehouse space and construction has just started on 60,000 square feet of advance units. Their total investment is in the region of £3m. Bedwas is the group's biggest South Wales development for they are spending £6m. there. They have completed a 24,000 square feet depot for the Blackwood Hodge group and a 23,000 square feet warehouse for Marks and Spencer. And at present under construction is a 150,000 square feet factory for Rosedale Industries.

The 23 acre industrial estate at Llantrisant is adjacent to the new Royal Mint and represents a total investment of £1.75m. An 80,000 square feet factory for Powell Duffryn was finished two years ago and the company now has 17 acres remaining.

In Cardiff, where there is a shortage of industrial land for development, Lyon's have completed nearly ten acres and has fully let several small units. They plan to build a 10,000 square feet unit shortly and on the rest of the site six speculative units will be erected.

Cardiff City Corporation, desperately seeking new industry to stave off the crippling impact of the closure of East Moors steelworks in 1976-77, have set up two industrial estates on the edge of the city. More than 4,000 steelworkers will lose their jobs in the closure and the Corporation are

Continued on next page

Warehouses and offices built by the Lyon Group for BMW on the Lyon Abbotsinch Industrial Estate, Paisley.

Scotland heads for a record year

ly CHRIS BAUR, Scottish Correspondent

Relative boom conditions ave now returned to the cottish property market, ollowing the virtual stagnation f about 18 months ago. Indeed, ome developers, both in the ublic and private sectors, now eem convinced that Scotland is eading for a record year in its ictory allocations.

Factory space is still available or immediate occupation, but is already scarce despite the ibstantial stock of unlet floor pace which had accumulated uring the 1970-72 period when idustrial demand was at such low ebb.

The experience of the Scottish idustrial Estates Corporation—ie Government's factory building agency—now confirms that ie first signs of growth on hich it reported at the beginning of this year were not misiterpreted.

Vacant premises

With nearly 30m. square feet f factory space provided in its hree decades of operation, the orporation predicted in January hat the coming 12 months *ould see almost unprecedented* rowth in demand for manufacring premises. This appears to ave been borne out so far this ear.

During the first seven months f the year, the corporation has located over 1.5m. square feet space for new and expanding dustry, involving the creation over 6,000 new jobs. This already an increase in allotted tenancies over the same riod of 1972, and it is happing at a time when the level inquiries for industrial space itself up by about 25 per cent. the previous year.

So far this year 15 advance factories have been found tenants while vacant premises have been reallocated to a record figure of 750,000 square feet. The amount of unlet floor space now available totals about 1.5m. square feet. This represents about 7 per cent. of the corporation's total stock and compares with the 12 per cent. of spare capacity which it had available at the bleakest point of the past two years.

While this backlog of unlet premises reduces, efforts are being made to provide more ahead of demand. Well over 2m. square feet of the corporation's aggregated programme of 2.6m. square feet of advance factory space has now been let.

Of the five advance factories immediately available in Scotland it currently has firm applications for two, while four of the 12 advance premises being built or about to be started on various locations have now been found tenants, ahead of completion.

A further indication of buoyancy is given by the recent extension of the corporation's role as factory-provider. It is now being permitted for the first time to deal selectively with the re-housing of industry which is operating in uneconomic often antiquated, premises.

This is a power which the corporation has long sought to complement its traditional role in assisting the creation of new manufacturing employment. With so many companies, in the corporation's view, still penalising themselves by operating from out of date premises, notably in the west of Scotland, it expects its re-housing role to expand as general unemployment levels are reduced in Scotland.

Private developers are also reacting to the new upsurge in activity. The largest of them—Ronald Lyon Estates—reports that it has let more industrial space in the first seven months of this year, than in any of the seven full years it has operated north of the Border.

Immediate plans

So far it has allocated over 800,000 square feet of factory and warehouse space, compared with its annual average allocation of about 500,000 square feet in the past. It expects to complete over 1m. square feet *this year alone.*

Five of the company's 25 Scottish estates (mostly in the Glasgow area) are now reaching capacity, and it has immediate plans for spending approximately £8m. on a further four locations—two in Edinburgh, two in Glasgow—to provide ultimately another *1m. square feet.*

It remains to be seen whether the continuation of what Lyon calls "a very healthy boom" will encourage the growth of other private developers on anything like the scale of Lyon's own £20m.-plus investment in Scotland so far.

It is one peculiarity of the Scottish market that others have not sought to emulate Lyon. Taylor Woodrow—which in fact pioneered private estate development in Scotland postwar—has seemed content to limit its operation to a modest three estates.

Other companies are working for a share (some allying themselves closely to job-hunting local authorities)—but none on anything approaching the scale of the market-leader.

The size of Scottish demand, of course, may strike some private developers as being too limited. The accommodation of mobile and expanding manufacturing industry is dominated by the Estates Corporation, and there is fierce compeition for both manufacturing and service custom from Scotland's five established New Town corporations (a sixth, at Stonehouse in Lanarkshire, has only just been designated).

Of these five, the private developers can probably compete on level commercial terms only with the oldest, East Kilbride. There, the approaching completion of the town's fast-growth period is causing the corporation to be more selective in its intake of industry, thus raising rental levels.

East Kilbride's basic rental of about 70p per square foot compares with the 65p-75p being asked in the private sector. But the private companies cannot hope to compete with rentals ranging from a low point of 40p to a high point of 60p charged by the other New Towns.

Even less can they compete with the "social service" rentals of the Estates Corporation, which range from 44p per square foot to only 21p (although it is worth noting that even with these depressed rentals, the corporation still managed to record its highest return on fixed assets last year, at 5.47 per cent.).

Few of the five operational New Towns have substantial factory space available. Livingstone (West Lothian) has just announced a rapid growth programme involving construction of 25 advance factories of between 2,500 square feet and 40,000 square feet. From its early 1972 *surplus of* 250,000 square feet of unlet premises, the town now has virtually no floor space immediately available.

That picture is repeated in Glenrothes (Fife). The corporation has no spare capacity and has ordered 189,000 square feet *of new factory units* to be provided between September and next April, with a further 40,000 square feet by next June.

Most ambitious

Cumbernauld (Dunbartonshire) whose designated area was earlier this year almost doubled to give it a further 300 acres of industrial land, is building factories at a rate of 150,000 square feet a year, with only 30,000 square feet ready for immediate occupation.

Irvine (Ayrshire) has almost 19,000 square feet of unallocated space and a building programme which between December and March will provide 149,000 square feet. An additional 211,000 square feet of space is being constructed for expanding local industry and for customers with special requirements.

Undoubtedly, East Kilbride's building plans are the most ambitious. They comprise the provision of 450,000 square feet of advance premises within the next year — the largest construction effort undertaken ahead of demand in the town's 26-year career.

CONTINUED FROM PREVIOUS PAGE

Wales

making a big bid to attract new industry. But without Development Area status they are finding the going extremely hard. They have put up a strong case for British Leyland Motor Corporation's planned £250m. new car factory saying it could be established at Wentloog — just outside Cardiff.

The Corporation gained a recent success when the American owned Burroughs Machines announced that they were going to build a £2.5m. factory on seven acres of the city's Pentwyn Industrial estate. The Government have also announced that they will build a large advanced factory there, too. Burroughs decided to expand in Cardiff because of the city's ideal communications — close to motorway links with the Midlands and London, easy rail access, good docks facilities and a nearby airport.

Commercial property development in Cardiff has increased rapidly in recent months for the city is fast becoming an overspill for firms who no longer want to pay the £20 a square foot rental of London. Rentals in good quality offices in Cardiff currently range from up to about £2.20 a square foot.

One property development company, Wales and Western Properties, has plans for a £7m. redevelopment of the city's main St. Mary Street. It envisages offices, showrooms, a bank centre and a five storey 200 bed hotel.

Another company, Alken, are building a £1m. office complex development near Queen Street railway station, Cardiff. And they have another £1m. project for a big warehouse development in the dock area. Managing director Mr. Ken Morgan said, "We have found that inquiries for sites for industrial and commercial use have trebled since the opening of the M4 motorway to Newport."

INDUSTRIAL PROPERTY XVI

Sluggish development pac in the South-East

By ROGER BEARD

The South East, particularly Kent, Surrey, and Sussex, presents an industrial enigma. That great leap forward optimistically foreseen before our entry into the Common Market has yet to take place. The Channel Tunnel remains a series of antique borings in the Folkestone chalk cliffs. The springboard into Europe prayed for by every landlady from Bognor to Broadstairs shows little sign of vibrating. Yet here is a region of over 20m. people, whose industrial effort might be expected to match their commercial zeal.

That it does not, with the exception of the new towns and industrial Thames-side, shows the fallacy of the idea that the three most South Easterly counties can gain much industrial advantage from their proximity to the Continent, under present circumstances. Receiving no financial support from the central Government, industrial development in the area has traditionally taken the form of small industrial estates to take up the local employment slack. Welcome though this may be, it shows no coherent pattern.

Badly served

Dividing the area into three classes, it becomes apparent that two of them are badly served industrially and that the third is irrelevant. The two groups badly served are the resort towns on the coast and the older industrial areas, particularly the Medway towns. The southern commuter belt which permeates the entire area is little affected by industrial considerations.

The coastal problem is one that is reflected in the higher than average winter unemployment levels, often six per cent. or above, in an economic region which elsewhere boasts the best employment record in the country. No matter what coastal resort one takes, the industrial pattern remains the same. All are chronically short of industrial land, none can attract industry in sufficiently large groups. Bognor, Worthing, Brighton, Eastbourne, Hastings, Folkestone and Ramsgate, all have some industry. In the main, however, they could do with far more. With little available land, no grants, and an ageing population, it is unlikely that they will ever get it.

Medway's problem is just as intractable. With the run-down of armed service activity in the towns, particularly the closing of the Chatham navy yard, the Medway towns are in need of a rapid transfusion of industrial aid. Not only do they need more land to be released to industry, their economic plight is judged by some to be sufficiently severe for government encouragement if not actual subvention.

Medway towns

The commuter towns, from Tunbridge Wells to Camberley, have no such problems. Their growth has been conditioned more by their proximity to British Rail's commuter lines than local industrial activity. Economically dependent on London's appetite for white collar labour, they are constrained only by Green Belt regulations and the high price of land. Many of the residents look askance at industrial development, however small. The land factor precludes much development other than the resiting of local industry further from town centres. In some cases local relief industrial estates are sited on reclaimed sewage land or other pockets unsuited for residential exploitation.

There is, of course, a medium level of industrial activity in other towns in the three counties, in the Weybridge, Woking, and Guildford area and around Maidstone, for instance. At Ashford, one of the expanding towns co-operating with Greater London's population dispersal exercise, industrial development has been on a greater scale.

Though predominantly a Kentish market town, Ashford has over the years had some industrial content, particularly through the large railway works. As the railway activity contracts, they have managed to build up their industrial estate—attracting London industry—and keep some employment balance.

That Ashford has been able to attract industry where other southern towns have failed is due to the expanding towns' programme worked in close co-operation with the Greater London Council. This programme provides housing in the receiving towns for key incoming industrial personnel and arranges for the resiting of industry, willing to leave London, on purpose-built industrial estates. The factories tend to be for small, light industry and the plan has worked sufficiently well to date for more than 26m. square feet of factory space to have been provided, out of London.

The key comes in having the organisation to provide sufficient drive for the industrial part of the programme, and arriving at close agreement on the equally important provision of housing. Ashford's success is no accident, and it is worth considering whether the Thanet towns, where industrial development has moved at a slower pace, might have benefited had they been on the expanding towns list. A similar accommodation might even have been reached with the depressed areas of Medway.

Forced to go it alone, those towns in the three counties conscious of their industrial difficulties, have done the best they can to attract industry. Their efforts have been blunted not only by land shortage and high land prices, but by the lack of sufficient organisation to advance their individual claims against those of the new and expanding towns.

The dream that has yet to become reality, the exploitation of the counties' proximity to the Continent through the Channel ports, ignores one problem which occupies local industry. They operate in an area with the most overcrowded rail system in the country, and in a region where the roads are totally inadequate for heavy industrial traffic. The M2 motorway ends dramatically before it reaches Canterbury, and the closely parallel M20 goes from "nowhere" to "nowhere."

The Common Market has, however, shown how bad road communications are between the Kent ports and their hinterland. With inadequate roads already jammed with continental "juggernauts," as well as the summer holiday trade, there is some disincentive to industrialists with a choice of where they site their plant.

Congested roads

Yet air and sea communications are good. The area contains Gatwick Airport on the Surrey/Sussex border, and is also served by London Airport and the London and Channel port docks. Pressures on the rail system and the already congested roads make exploitation of these facilities far more difficult than it should be. Those seeking to sell industrial property or to operate or expand industrial plant have another grievance.

Industrial development depends on the strength of the industrial lobby, particularly at county level. In the north of the country where industry is strongly represented, movement on industrial development is encouraged. In the south, there is the feeling among industrialists that they are outgunned by the other lobbies, and that their problems are not fully understood. This may or may not be the case. However, the strengths of both the residential and conservation lobbies in the three counties are considerable. In the coastal resorts, also, there is some conflict of interest between those who see leisure as the main industry and those who would like industrial development of a more diverse nature.

Should the Channel Tunnel be built, there is some evidence that the industrial pictu change and a balance back in industry's favo as the Government activity generated by tl London Airport at Map also logical to expect it the British end of any Tunnel. Unfortunately are as yet no similar plans to exploit such ment and direct it towa industry.

Organisation l

The limitations in scope produced by loc tions in the three cou industrial developmer some advantages. Thei ties are protected fro trial incursions, an industry is allowed can small, light, and clea some of the populati ever, this must bring p

Balanced employme aim of most communi those of the three cou no exception. With Lor viding the bulk of there would seem no encourage industry. Th ever, depends on wh population is suited to collar employment offe commuters. In all tow size, there is a need fo a measure of residual employment.

In some of the three towns, this need is sel Unless, however, land and unless there is so to offer special inducen ticularly in the Medw the residual employm will remain unsatisfied circumstances, indus velopment generally movement of industrial will continue to be sl

Scarcity in the South

By DEBORAH WAROFF

Factory and warehousing space in the South is both scarce and dear. Rents of £1 a square foot are commonly quoted, and even higher prices are not rare. All of this is as one would expect. For Britain has chosen not to allow massive industrial development in Sussex and Hampshire and other pleasant southern counties. Green fields and green belts will remain to please future generations.

Within Hampshire, regional planning policy allows for industrial expansion in just two general areas. One is South Hampshire — Southampton, Portsmouth and neighbouring communities. The other is the northern end of the county, where Basingstoke is England's fastest growing town. Territory around Aldershot, Farnborough and Andover also has potential for industrial development.

In Sussex, Crawley is a major growth area. Nearby Gatwick Airport is also a focal point for industrial development, but will not actually fall within Sussex boundaries until after the April 1 local government reorganisation. In the interim, a special Crawley/Gatwick sub-regional planning team has been working with an eye to structuring future growth.

Warehouse units

Despite the well-publicised movement within the "airport village" of Fernhill to sell out the entire village and relocate residents far from the noise of Gatwick (a tempting proposition with industrial land in the area fetching £100,000 or more an acre) new development will first occur elsewhere. Lowfield Heath, for example, is considered far more suitable for industrial development. Seventeen warehouse units are planned for the town, totalling roughly 200,000 square feet. Warehousing and other airport related enterprises are typically prime contenders for space around Gatwick.

At nearby East Grinstead Lyon are about to start building industrial units on a 14-acre site. These will be leased mostly to light industrial users at prices ranging from 90p per square foot for the largest units to upwards of £1 for most space. They should have no trouble letting the units, as demand in the area is predictably heavy.

Space can be had somewhat more cheaply elsewhere in Sussex—at 80p per square foot in Eastbourne. But farther west along the coast, at Brighton, little land is available. Rising prices and a narrowing of values between warehousing and manufacturing space have been reported. But the situation is not entirely static.

At Kemp Town, on the eastern side of Brighton, a seven-acre site that formerly served as a goods yard for British Rail is being re-developed as the Freshfield Industrial Estate. Approximately 180,000 square feet of space, most intended for light industry, will be ready in a year or so. Units will range from 1,000 square feet and upwards. Local companies displaced by redevelopment elsewhere in Brighton will be given priority. The land has been leased from the present owners, Brighton Corporation, by the developers who are Central and District Properties. The letting agents decline to quote rents so far in advance of completion, but the estate is reckoned to be worth about £2m.

Industrial estates of 7 or 15 acres may sound small beside Crawley's existing 374-acre Manor Royal estate. But at the present time industrial development in the South is very much a matter of bits and pieces. In the main only scrag ends of land are available for development. And planners are anxious to assure that housing programmes and provision of services are not outrun by industrial expansion.

Southampton is very short of industrial land, as is neighbouring Portsmouth. Both grew considerably in the early post-war years. Portsmouth in particular has used up nearly all potential development land. At the end of the war 300 acres were allocated to industry, and

Continued on next page . .

North-West sees widespread improvement of market

By TOM HEANEY

It would have taken a weatherproof brand of optimism in 1971 and even early-1972 to believe that within 18 months or so there would be places in the North-West running into a shortage of buildings and sites. The improvement in the region's industrial property market has been consistent and fairly well spread. One of the encouraging things about the upturn has been the quickening of investment interest in the region from outside as well as inside, with a rising level of institutional involvement.

Recovery in the national economy took time to work through to corners of the North-West, but when it did a new buoyancy quickly emerged, with a steady fall in unemployment, a stronger business initiative and confidence, and an accelerated tempo of industrial building investment. By this time the region was not only feeling the benefit of national reflationary measures but had gained a sharper selling edge. The whole of the North-West outside Merseyside and Furness, which kept their existing Development Area designation, had been given Intermediate Area status with the incentive of 20 per cent. grants towards capital expenditure on new industrial buildings and development of existing ones.

These two factors taken together obviously explain the better tone of the region's industrial property market, even though it might be difficult to try to assess the direct benefits of aided status in isolation. What can be assessed is the improvement in the overall situation compared with 18 months ago. Then the region was hard hit, with the pace of factory closures overshadowing and outstripping new development. "It is now the reverse and there is every indication that investment is going to be even greater over the next 12 months," says Clifford Chapman, director of the North-West Industrial Development Association. The optimism is supported by figures supplied by the North-West Industrial Development Board. Using the yardstick of IDCs, the rate of new industrial development in the region averaged 1m. square feet a month between April and July this year—an increase of something like 20 per cent. Fresh inquiries have risen to 65-75 a month, roughly double the monthly average last year.

Vacant space

By March this year, NWIDA was able to report a significant drop in the total industrial space (including former mills) standing vacant in the region. In a year the figure had been reduced from 31.4m. square feet in 671 buildings to 25.1m. in 531 buildings. With the stream of closures beginning to dry up the overall picture for 1972 was in fact a brighter one, with industrial space reoccupied considerably greater than the amount vacated—20.6m. against 14.3m. square feet. Area figures showed considerable variation—15m. square feet vacant in East Lancashire against only 5m. in Cheshire and 2m. in the Preston area.

The grand total reflects the fact that an old industrial region is still burdened with an above-average ratio of old buildings. In most towns it is commonplace to find manufacturing still going on in structures dating back to the First World War or even earlier. Far fewer former cotton mills await takers, but some of those currently on the market are likely to stay there. The best structures have been sufficiently sound to justify refurbishing by some occupants. Indeed, refurbishing has transformed a number of large vacant engineering factories, purpose-built structures unlikely ever again to have found a single occupier (except possibly for storage purposes). Divided into units and modernised they are now serving a multi-occupancy role. At Trafford Park, Manchester, a former GEC factory is being adapted in this way under a £4m. programme. The same thing is happening on Merseyside and at Altrincham, Cheshire, where the Lyon Group has recently created a new multi-role for the former Churchill Machine Tool factory.

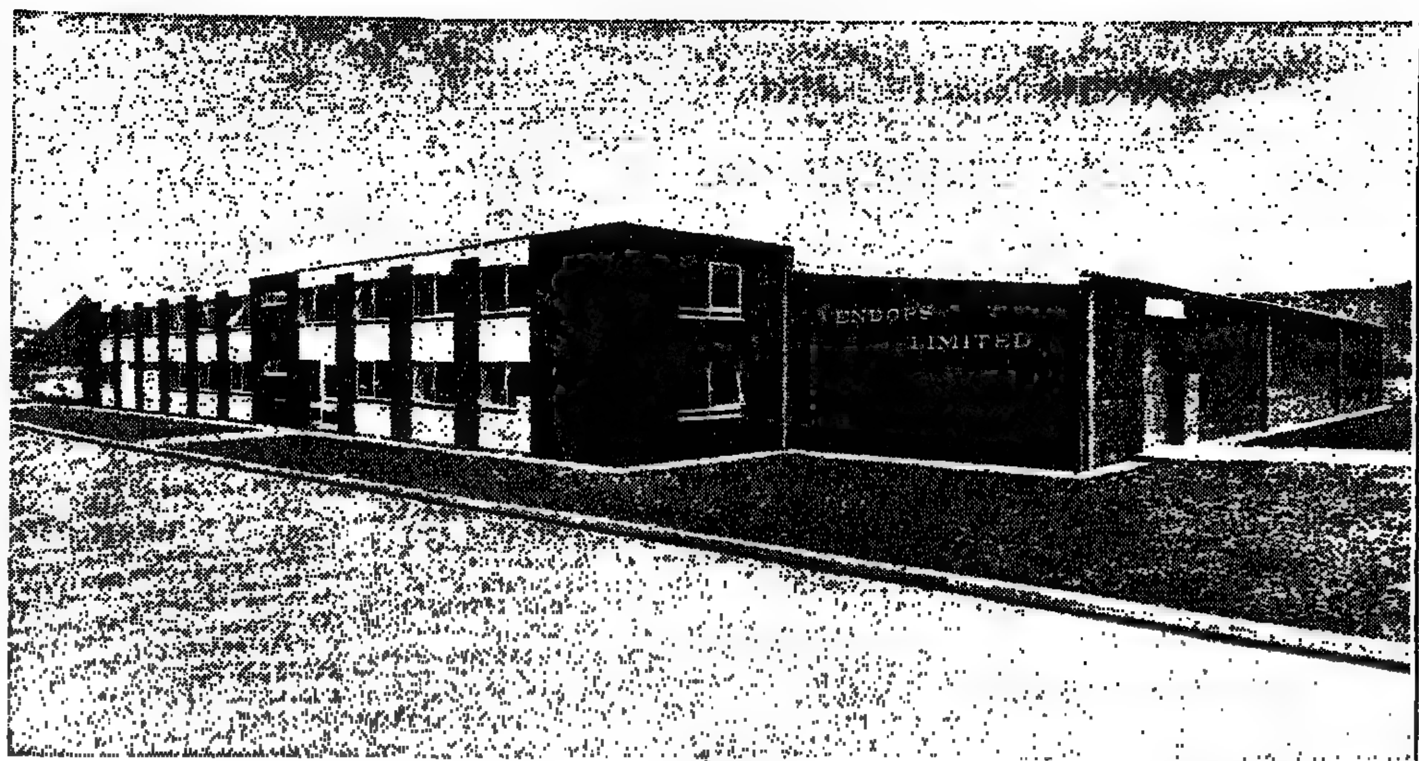
New perspectives

It could be argued that the ready availability of off-the-peg factories as cotton contracted in the 1960s was in some ways a disincentive to new construction. It could equally be argued that the new uses provided a whole range of new jobs at a time when they were most needed. That is in the past and there is now evidence that attitudes and perspectives are changing. Eric Allen, a director of Mount St. Bernard Trust, which is active in development in the North, makes the point that town centre redevelopment and new housing has made industrialists in some areas suddenly conscious of the ageing appearance and shortcomings of their factory buildings. The scale of industrial renewal needed in the region is enormous but it has taken this year's economic spurt to give the challenge impetus.

Industrial estate development at the present time must be on a scale without precedent in the region, even if it still adds up to little more than a fraction of the overall need. It is clear that more North-West industrial firms are now expansion-minded if only because the upturn in business has stretched capacity to the point at which it is now short. Existing industry may not want to look far beyond its present base for additional premises. On the other hand, the speculative emphasis is generally on sites close to the region's motorway network.

As elsewhere, access and ease of communication has become a key selling point and many of the region's new industrial estates, completed or projected, lie close to these corridors of growth. For example, in the present stage of motorway development a site to the west of Manchester is more favoured by a developer than one to the east of the city. New estates have emerged or are in the pipeline in what might once have been considered unlikely spots, again a choice influence by their new strategic siting. On Merseyside, buildings to the north of Liverpool have gained a new selling edge with the opening of the £50m. Seaforth harbour complex.

Current rents for new units in the region show a wide span, with location one of the influencing factors. One developer puts the range at 45p-75p square foot, with a sizeable proportion in a broad middle band. A Liverpool agent quotes 60p-65p square foot for new small units, with older buildings around 25p and even as little as 15p for an old mill.



The 27,000 sq. ft. factory and offices built by the Lyon Group for Vendops Ltd., at Wythenshawe near Manchester.

A leading Manchester agent said they would now be advising clients to think in terms of 70p in costing new schemes. In the main centres of the North-West there is a ready demand for units as small as 3,000 square feet but a leading developer in the region says the most popular unit size is currently in the 10,000-20,000 square foot range.

The improvement has not been uniform throughout the region. Labour availability locally can be a factor in choice of site (in parts of the North-West unemployment is now down to 2 per cent.) as can the local record for labour relations. Things are now moving on Merseyside but at least one developer is prepared to argue that they would have started moving sooner but for the cautiousness of some of his fellows about the Merseyside industrial image (which tends to overlook the fact that the region has trouble-free industries outside docks and car manufacture).

Old mills

The pace, not surprisingly, is being set by the North-West's new towns. At Runcorn, where the first factory on the Astmoor Estate was opened in 1967, a total of 6,500 jobs have been created by well over 50 new firms. Work has started on an 800,000 square foot factory for Schreiber Furniture and the major new brewery of Bass Charrington at Runcorn is is scheduled to go on-stream in the spring of next year. Skelmersdale New Town, which has also attracted its share of national groups, has completed 3½m. square feet of new industrial construction, 350,000 square feet is currently under construction, and plans for a further 380,000 are at the design stage. Meanwhile, old sites elsewhere in the North-West are emerging as modern industrial estates after clearance of outdated buildings. One example of this is the former site of the Richard Haworth cotton mill at Ordsall Lane, Salford, which is now being developed by Burns-Anderson with units of up to 200,000 square feet for warehouse and industrial use scheduled for completion by early next year. As one developer put it: "There's a lot going on in the North-West at the present time despite frustrations like delays in steel deliveries. Attitudes are changing but it's vitally important that the national economy should stay buoyant if the North-West is to succeed in modernising itself—and that means buildings as well as plant."

CONTINUED FROM PREVIOUS PAGE

The South

the town is proud to report that it added 1,000 jobs a year locally, although it enjoys neither intermediate nor development area status.

At Southampton three parcels of Gas Board land are expected to provide 5,000 to 6,000 square feet of factory and warehouse space. Other sites being discussed for industrial development comprise less than ten acres each. Land in the western docks has been largely allocated, and firms like Renault have purchased sites.

Industrial land is so scarce in Portsmouth that virtually none is being made available except for the relocation of local industries. Developments approved at the moment add up to a grand total of 11 acres, in privately owned parcels of five, four and two acres.

Eventually, however, South Hampshire's projected growth as described in the Structure Plan —from 356,000 jobs in 1966 to 422,000 in 1981 and 479,000 in 1991 — will require further industrial land. Portsmouth City Airport will become a prime site for industrial development. The principal South Hampshire growth area will be Horton Heath, currently rural in the main but a recommended location for new industrial development. Others are Waterlooville, Park Gate, and the area to the north of Southampton, around Chandler's Ford and Eastleigh Airport. Ultimately, however, potentially massive industrial developments hinge on mundane drainage problems. Once new drainage systems are ready in the South Hampshire area, house-building and subsequent industrial development can proceed.

Basingstoke, whose rapid growth is due chiefly to its participation in the Greater London Council Expanding Towns Programme, is in the fortuitous position of having 130 acres of industrial land, most of this on the Viables Estate, yet to be developed. At the moment the town is experiencing something of a housing shortage and is therefore not overly anxious to rush headlong into factory building. But by 1975 a further 40,000 square feeting of factory space is expected to be ready. For unit factories the town is thinking in terms of 2,000 square feet each, but might arrange space to suit specific requirements.

Ideal site

Basingstoke is an ideal site for warehousing located close to the M4 and within easy reach of London and Heathrow. Firms including Sainsbury's have found it a handy distribution centre for just such reasons. But in the future the town plans to allow no further warehouses on its own estates—warehousing, after all, provides little employment.

Land leased in the town to industry is currently charged at the rate of £4,000 per annum per acre, with rent reviews of the 99 years leases every tenth year. New factory space is let at around £1 per square foot, with an additional service charge for the maintenance of estate roads and so on.

The scarcity and expense of industrial land in the South must seem discouraging indeed to businessmen anxious to set up or expand factories in the region. The centripetal magnetism of Brussels can only be expected to aggravate the situation. But the small size and high price of sites available has one potentially positive aspect. Such sites are best suited to purpose-built and custom tailored units which, if the examples set by IBM at Havant and Cosham are anything to go by, tend to be more handsome than their specbuilt cousins.

INDUSTRIAL PROPERTY XVIII

Accelerating demand in North

By JAMES NICHOLSON

It looks as if 1973 will be the sort of year that MPs, local councillors, industrial development officers and private sector estate developers have been praying for since 1963. Rightly or wrongly some of them will be having a ball, claiming credit for all the industrial expansion taking place in their particular patches of assisted area.

In every major town from Sheffield to Newcastle, and in a good many minor ones as well, there is evidence of accelerating demand for industrial property. In Sheffield, since the beginning of this year the relevant departments of the town hall have been receiving increasing numbers of enquiries from manufacturing firms looking for industrial sites. The enquiries *are coming from the Continent* as well as this country and tend to come from secondary industry such as furniture manufacturing.

In anticipation of the eventual upswing in demand for industrial accommodation of various sorts, Sheffield Corporation has been developing factory units and new industrial estates all over the city for some time. Three years ago Sheffield suffered from an acute shortage *of industrial land. To-day there* are 18 private industrial estates in the city and important local authority estates at Attercliffe and in the new town of Mossborough. The Corporation has been building small advance factories in 1,000 square foot units at the rate of 30,000 per year in various parts of the city, and at rents of between 40p and 60p per square foot these are being taken up fairly rapidly.

In Leeds, which has a much more diverse and perhaps fundamentally more dynamic economy than Sheffield, the increase in demand for industrial property over the last year has been more dramatic. There has been an increase of around 50 per cent. over the preceding 12 months. Nearly 200,000 square feet have been sought by manufacturing firms in the last year and the figure for warehousing amounts to over 440,000 square feet.

The New Towns, such as Aycliffe and Washington in County Durham and Killingworth and Cramlington in Northumberland, are reported to be receiving an increasing number of industrial enquiries. There is a possibility that Aycliffe will be seeking more industrial land in the immediate vicinity. Interest in sites on the new town's 500-acre industrial estate has increased sharply since the New Town Corporation took it over from the English Industrial Estates Corporation earlier this year.

The English Industrial Estates Corporation itself, which has 80 per cent. of its factories in the Northern Region was reporting an all-time record in the number of industrial enquiries received even at the beginning of this year. In the 11 months to the end of February, 1973 the Corporation had received 346 industrial enquiries, and at that time the boom in demand for industrial property in the north was just getting into its stride.

Since then the Corporation's estates, even those in some of the more neglected areas of the Northern Region such as West Cumberland, have been attracting interest. The Corporation has 170 acres of developed industrial estates in the sub region. A high percentage is already occupied and most of the rest is committed. At the beginning of the summer the Corporation had only three factories vacant in West Cumberland: this in an area which has had the most serious difficulty in attracting industry of any sort for several years.

The experience of the English Industrial Estates Corporation is borne out by that of the Cumberland County Council, who report buoyant demand for factory *accommodation from firms* as far afield as the Midlands and south-east England. Inquiries and requests for assistance to the D.T.I. in West Cumberland from firms planning expansion have more than doubled in the last six months. Lyon Group Northern, which has an industrial estate in the area, were earlier this year considering the possibility of speculative building of advance factories to meet the growing demand.

On Teesside and Humberside, places with large areas of land near deep water which are capable of accommodating very large heavy industries, as well *as estates for light industry*, have been attracting steadily increasing interest since the beginning of the year. This has come not only from U.K. firms who want to be near a port and within easy reach of Europe but from continental firms who are seeking bases in the British market.

This widespread upsurge in demand for industrial property in the north is being greeted *with considerable enthusiasm*, and while the MPs, councillors and industrial development offices are not entitled to all the credit for attracting industry to their areas, they are certainly entitled to some of it.

For nearly a decade local authorities, often with the help of Members of Parliament, have been putting pressure on the Government to improve the infrastructure of road, public services, estates and factory accommodation, and to improve the system of inducements to attract industry to the assisted areas. Local government industrial development officers have doggedly publicised the advantages of their particular towns as locations for new industry Most of this activity has often seemed a waste of time. But it is becoming clear in retrospect that some of it has contributed to the present level of demand.

A national growth rate in excess of 5 per cent., the consequent inflation in the cost of industrial accommodation and shortages of labour, particularly in the south and Midlands, may be the prime reason why more firms are now looking for factory sites in the north. But *without the* incessant publicity which the north has been giving itself over the past decade, many of them might have been looking elsewhere.

The publicity itself would have been meaningless without the dramatic improvement in communications that have been brought to this part of the U.K. And without local pressure on the present and previous governments to go on improving the *inducements for industry to* move north and to expand there, the present boom might have been a smaller one that it actually is.

Development of better road communications between, around and through the main towns and cities of the north, together with the efforts of the DTI to stimulate industrial growth from within these towns, are probably the two most significant influences on demand in the north. The level of demand for industrial sites near the new motorways provides some evidence for this. Private sector estate developers have played an important part in meeting this demand. The development of warehousing around towns like Leeds, now particularly well served with motorway links and urban motorways, is another reflection of the significant effect of road development on industrial property values. In some quarters the increased interest of industry, even in West Cumberland, *is being attributed* to improved road links. The M6 bypassing Carlisle and the proposed improvements to the A66 through the Lake District to West Cumberland are examples.

In some Northern Towns, particularly in Yorkshire, there is evidence that the 20 per cent. Regional Development Grant available under the Industry Act is making it possible for more firms to vacate old and obsolescent factory premises and build new ones. The interest relief grants available under the act are helping firms with expansion plans in the assisted *areas to borrow at what are* now very low rates of interest from the joint stock banks. They are doing this at relatively little cost to the Government. It looks very much as if these benefits will be maintained. In a time of mounting which could put a da industrial expansion to a reduction in de industrial property, becoming increasingly to industry. In the l they probably will be to the public at lar means of new and mor industrial accommoda lead to eventual inc productivity.

One factor that appe influencing demand f trial property in the the large scale of development that is tal in some of the bigg Leeds, Newcastle and are examples. This many firms with fact warehouses in city c *move out to the new* estates which have bee partly to receive the

Another factor is th tion by increasing n businessmen that property, or indeed an real estate, is going appreciating asset an hedge against inflatio

How long the boom is anybody's guess. B it continues only long allow present negoti industrial land and accommodation to be it will have gone so way to improving the structure and balance *towns and cities in* The result could be this boom does fall be with a less depres on local economies ar ment than the nor often experienced in

Prospects in East Anglia

By JAMES NICHOLSON

In the first six months of this year Industrial Development Certificates issued for East Anglia represented 2.7m. square feet of factory space. This was over 35 per cent. higher than the figure for the same period in 1972 but this year's figures do not give the whole picture. *For the past 12 months' IDCs* have been unnecessary for developments of less than 15,000 square feet and demand for small factories between 3,000 and 4,000 square feet has, according to estate agents and estate developers, been intensifying in this part of the country.

The rise in demand for industrial property indicated by the IDC figures is supported by the evidence of boom from other quarters. Regal Industrial Estates is one of the biggest estate development companies operating in East Anglia. It has industrial estates at Hadley, near Ipswich, at Saxmundham, Wisbech and in the vicinity of Newmarket and Oxford. In recent months the company has been coping with a high level of demand, particularly for smaller units. One of its 50-acre estates which was originally expected to take several years to fill up was completely sold in six months. Estate agents at King's Lynn, Norwich, Chelmsford, Ipswich and Great Yarmouth are reporting a similar high level of demand.

Land prices and factory rents, although still lower than in some parts of the country, have risen steeply in East Anglia during the past 12 months. It is still possible to obtain small amounts of industrial land for around £10,000 an acre in some *of the more remote and rural* areas. At King's Lynn it is averaging £20,000 an acre and at Chelmsford £70,000. Factory rentals range between 45p and 60p per square foot, but in some cases they are higher. A year ago the price for industrial land was typically around £12,000 per acre and factory rents were not often above 45p per square foot.

Demand for industrial property is coming not only from organisations in East Anglia, London and the South East but also from other parts of the country and the Continent. The German chemical group B.A.S.F. has recently opened a 31,000 square foot factory at Hadley and estate agents are said to be receiving an increasing number of inquiries from France and Germany.

As demand has been increasing over the past 12 months the supply of industrial land has been declining at a similar rate. This has led to acute shortage in some areas, particularly the main towns. According to one estate agent in King's Lynn there is not any industrial land available at all in the town or locality. King's Lynn is no exception. The pattern appears to be the same throughout East Anglia.

The shortage of industrial land and developed estates may have been a significant factor in *the sharp increase in land values* but it is likely to be a relatively temporary factor. The shortage has risen largely because the sudden boom in the national economy and consequent industrial expansion has taken many local authorities in East Anglia by surprise. Up to 12 months ago very little industrial development was taking place and the local authorities failed to release sufficient land to meet present demand. Since then they have not been able to acquire land for industrial development and release it with sufficient speed. All the indications suggest that it will be several months before the situation improves.

Until recently East Anglia was, to a large extent, ignored by industry. It appeared remote from the main industrial centres and markets and without motorways the communications picture looked less than inviting. But in the past year industrialists have begun to view the region in a new light.

There are several reasons for this. One of the most important is the decision to im A45 to something like standards, giving Ea faster links to the Mid to by-pass some of towns which will remo bottlenecks.

The 5 per cent. grow the national economy tion of land values and the South East a more firms to look fur when planning expa fact that East Anglia ber of expanding town *the GLC is* encourag to move has helped attention on the regi tion to straightforwar considerations such there is some eviden increasing number of men, their employees families are being att the rural and often environment of East A

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INDUSTRIAL PROPERTY XIX

Two major strengths of East Midlands

By EILEEN TOTTEN

The East Midlands, not so far removed from the West Midlands and its unparalleled communications, has had to vie for industrial interest through two of its strengths — its traditionally very good labour supply, and the incentives of building grants in certain areas.

But the spread of grants is somewhat uneven. While practically the whole of Nottinghamshire and Derbyshire is designated derelict land clearance with 20 per cent. building grants for manufacturing industries until March 1974, Leicester, for instance, has no such incentives to offer. The Erewash intermediate area can offer 20 per cent. building grants and also retraining grants to interested industrialists — but Chesterfield is peeved at being apparently thoughtlessly left out. Nottingham, however, can still hold its own in the region because of M1 proximity and its place as Queen of the Midlands, the regional capital.

Because of Nottingham's easy access to the motorway there is great demand here for warehousing and firms are having to pay top rents. Hallam, Brackett and Co., of Nottingham, quote 70p a square foot as an accepted rate for new warehousing in Nottingham. Outside the city, in the intermediate areas, 57½p to 60p per square foot is the normal rate — with the added incentives of building grants. "But 57½p is the minimum now, purely because of building costs at the moment," a spokesman for Hallam, Brackett and Co. said. Demand is high and accommodation goes fast: "The last six months have been as good as any time in the last ten years. Generally we are let up ahead of building."

Distributive trades

The M1 side of Nottingham is most favoured by the distributive trades who have flocked to this area. One estate which Hallam, Brackett is currently handling on the M1 side of the city is the Bloomsgrove Estate, being developed by Westminster Property Group. This is on Ilkeston Road, near modern corporation housing and between the city and the ring road. The emphasis at Bloomsgrove is on warehousing and all current phases are let up. But by the middle of next year, Hallam, Brackett and Co. should be able to offer 50,000 square feet of accommodation in units of 7,500 square feet upwards, at around 70p per square foot.

At the Greenhill Industrial Estate at Riddings, Hallam and Brackett are also handling a development by M.A. Pass Property Investments. Here, on about 50 acres, there will be units from 5,000 square feet upwards, with rentals averaging 57½p per square foot. "We are currently let up ahead of building on this estate, but there are still about 35 acres to go," the spokesman for Hallam and Brackett said. "We could build to tenant's requirements there, up to 100,000 square feet, for instance." The main advantage of this estate is labour, as it lies in a solidly residential area, and might therefore be best suited to industry.

Varying sizes

Over at Leicester, however, industrial space is short near to the city itself. "To be honest, there has been a complete underestimation of industrial land needed in Leicester," a leading estate agent told me. "There is a tremendous shortage of good modern industrial property in Leicester itself, particularly as far as the smaller units are concerned." Rentals could be as high as 85p per square foot for good modern industrial units.

One development in the city, about four miles from the centre, is at Scudamore Road, where Mackenzie-Hill is building 8 units on about 213,000 square feet. The units will be of varying sizes and will be suitable for warehousing. Jarroms of Leicester are handling this estate.

Jarroms, too, are also handling an industrial estate at Groby, which is being built by F. L. Fitchett, contractors. Here there will be units of 4,500 square feet up to 20,000 square feet. Jarroms are taking lettings at the moment at rentals of 70p per square foot. The area is zoned for warehousing. So is the area at Lutterworth, on which Whittome Properties are building units from 5,000 square feet upwards on about 4 acres of land. But it is hoped that permission might be granted for some industrial use. Rentals on this site, also handled by Jarroms, will be about 60p per square foot.

Leicester has natural advantages in its location, and traditional ones in its good labour force (particularly good on female labour) and its reputation as a prosperous city. Indeed, Leicester and Nottingham both have managed to survive fairly evenly the economic doldrums of two years ago and have been expanding their city centres with new developments and city centre schemes. Now they have been joined by Derby, once very much a poor relation, which is going ahead with its comprehensive and far-sighted city redevelopment. The East Midlands cities are certainly an attractive proposition as far as living and working there is concerned.

In the whole of the East Midlands, though, at the moment, probably the Erewash intermediate area can claim the greatest industrial success. Jack Holmes, Industrial Development Officer for Derbyshire and Nottinghamshire sub-region, explained: "There has been a very rapid turnover of sites here, which was particularly marked in the last six months." Between December and August about 70 acres had gone to new developments near Junction 28 of the M1, on the Derbyshire side, and an equivalent amount in a similar area on the Nottinghamshire side of the boundary.

This intermediate area, which can offer 20 per cent. building grants to manufacturing industries indefinitely, includes the five towns of Alfreton, Sutton-in-Ashfield, Kirkby-in-Ashfield, Heanor and Ripley. Its success might be shown by the fact that four years ago one of the towns, Alfreton, was named "the town of the Amazons" because only the women worked, whereas now Alfreton or Kirkby-in-Ashfield are being called the "boom towns of the East Midands."

Developments in the Erewash intermediate area recently include the arrival of Englender, the large furniture manufacturers, who are now building rapidly on a 20-acre site near Junction 28 of the M1, at Berristow Lane. At Kirkby-in-Ashfield 11 acres has just gone as one individual unit, and another 160,000 square feet has gone there to different firms, in units ranging from 5,000 to 20,000 square feet, this year.

Other intermediate areas in the East Midlands which gain from the 20 per cent. building grant are the Worksop area which will shortly have two large sites available. One of these will be on the outskirts of Worksop Borough. The other, the Plumtree farm site at Harworth, near Bawtry, and close to the A1 and M1, is of 23 acres and is being offered at the very modest price of £5,500 an acre. A great deal of interest has already been shown in this site.

Meanwhile, in the North West intermediate area, stretching down into the Peak District, some interest is also being shown. The great difficulty here, in such hilly terrain, has been providing large flat sites, but it is hoped soon that a fairly large site will be acquired for development.

Of the three intermediate areas, the Erewash Area is the most obviously successful. One measure of its success is that when Derbyshire County Council recently reclaimed and levelled a site of 55 acres at the northern tip of this area, at Holmewood, practically all of it has been pre-reserved.

The 20 per cent. building grants in the intermediate areas have tended to attract manufacturing industries, and the good labour force in these East Midlands areas has supported this trend. But now, the Government announcement in July of assistance to service industries in intermediate areas may mean a slight change of direction. "We are looking at this with great interest," said Jack Holmes. "The Government's announcement means that research firms and office units, even some warehousing, may qualify for benefits." The benefits could mean a three-year rent-free period or an equivalent benefit, if the company decides to purchase freehold—equivalent, perhaps, to a 30 per cent. building grant. On top of this, firms would qualify for £800 for each transferred worker.

Building grants

"These two things—the 20 per cent. building grants to manufacturing industries and the new incentives to service industries—can now run hand in hand here," said Jack Holmes. "We'll be able to have a crack at a whole new sector." Handling the situation in the East Midlands will be the East Midlands Regional Offices of the Department of Trade and Industry, in Nottingham.

It seems that the East Midlands has now found a new strength to bolster its position in this area, and the previous success of new developments is encouraging more private developers to get into the industrial property field fast. Of the Erewash Area at least, Jack Holmes is able to say that, despite planning as far ahead as possible, "we never get to the stage of having a factory empty!"

CONTINUED FROM PREVIOUS PAGE

East Anglia

Rapid development of the East Anglian ports of Ipswich, Felixstowe, Great Yarmouth, Lowestoft and King's Lynn may have led more firms to look for depots and branches nearer to them. Demand for warehousing in the vicinity of East Anglia is a major feature of the general rise in demand for industrial property.

Another less-tangible but very real factor in the industrial property boom, according to a spokesman for the East Anglian Strategy Team based in Cambridge, is the widespread conviction that EEC entry must sooner or later bring enormous economic benefits. The conviction is apparently shared by industrialists outside East Anglia because there has been a marked increase in the number of new firms setting up in some of the smaller towns like Fakenham, Thetford and King's Lynn.

It is towns in this category that seem likely to develop as growth centres in the immediate future. One of the reasons is that they have been preparing themselves for the reception of new industry ever since they acquired the status of expanding towns. There are, in all, eight expanding towns in the region. While most of the established industry in East Anglia is in Norwich, Ipswich, Peterborough and Cambridge, these towns have tended to be slower than the expanding towns in preparing themselves to meet the needs of new industry coming in from outside.

How long the present boom will last beyond the next few months is difficult to say. The release of more industrial land by local authorities may ease the pressure of demand sufficiently to keep land prices and factory rents steady for a while. The steep rise in interest rates could conceivably put a brake on factory development in areas like East Anglia which have no assisted status.

Firms wishing to expand in this part of England will, unless they can finance the operation themselves, have to go to the private sector where factory financing can be something of a jungle. The new interest rates will make bridging finance almost prohibitively expensive. Leaseback operations lose a good deal of their appeal in inflationary periods when property values are rising and money values are falling. The industrialist can lose any capital appreciation a site or a factory might show in future years. He has to be very sure that the money he realises from the leaseback operation can be put to very good use immediately in his business, and if he is going through a period of expansion involving relocation and other extraordinary overheads this might be difficult.

In the development areas to the north, however, the situation is quite different. Apart from the 20 per cent. regional development grants available under the Industry Act the Interest Relief Grants which the Government are making available for expansion projects in assisted areas are proving a boon in the face of interest rates upwards of 11 per cent. on money borrowed at the bank. Firms able to obtain interest relief grants can borrow at an effective rate of 4 per cent. or 5 per cent. This could once more reduce the high level of enthusiasm for industrial development in East Anglia to what it was a few years ago. If this happens some of the firms who have acquired land for industrial development in some of the more remote areas of East Anglia because it was cheap and because they expected its value to rise may have backed a loser.

In a period of boom and inflation firms undertaking expansion expect to move fairly swiftly once the decision has been made. They want tailor-made factories on well developed industrial estates ready for them to move into. They want as much help as possible with the practical problems of relocation. Because they have been in the business of actively attracting industry much longer than towns in East Anglia, towns in the assisted areas are likely to be much more effective in meeting the requirements of industrialists in an expansionist frame of mind.

When some of these factors are added together they make the continuation of the current boom in demand for industrial property in East Anglia something less than certain.

Booming times in the West Midlands

By EILEEN TOTTEN

This year has shown the return of prosperity to Birmingham, after the doldrums of 1971 and early 1972. The industrial property market is booming again in the West Midlands as a whole, with new industrial estates burgeoning, especially close to motorways and motorway intersections.

The feeling in the air was summed up by a spokesman for Grimley and Sons, of Birmingham as "generally buoyant. There's a lot more interest in property in the region at the moment. Normally at this time of year, in the summer months, demand slackens off but it hasn't happened this year."

The reasons for a return in the area to its natural business buoyancy are many. The general economic climate, of course, has helped with unemployment in Birmingham, for instance, down from a high of 6 per cent. in 1971 to 3.5 per cent. But two other factors have contributed greatly to the re-emergence of the West Midlands as the industrial hub of the country, and these factors have affected the development and location of industrial property in the area.

The first factor, of course, is the completion of the motorway system, especially Spaghetti Junction, or the Gravelly Hill Interchange as it tries hard to be known as. The fact is that now practically any area of industrial development in the West Midlands is close to a motorway, and this has particularly caused a trend to distributive trades in the area—and incidentally a demand for warehousing which at present outruns supply.

Exhibition Centre

The other *fait accompli* which has helped to put Birmingham and the West Midlands as a whole back on the map is the National Exhibition Centre now under construction at Bickenhill. This has now been given the seal of success, not only by earlier Government support, but because, since the Northolt scheme for an exhibition centre has now been turned down, no exhibition centre of comparable size or facilities will be built in London for at least five years. The West Midlands has a good head start.

One of the spin-offs of the siting of the NEC is the improved air and rail communications it is bringing with it, which will back up the already superb road connections in the region. The expansion of the airport at Elmdon, the proposed building of a new passenger terminal and opening of a new railway station near the site, have greatly increased interest in industrial property in this area.

Joint agents

One example is the Elmdon Trading Estate at Bickenhill which can claim "your next door neighbours . . . will be the National Exhibition Centre and Birmingham Airport." This industrial estate has been developed by Bryant-Samuel and the joint letting agents are Phoenix Beard of London and Edwards Bigwood and Bewlay of Birmingham. The first phase of the 42 acre site is already nearly entirely let, though not yet completed. Names who have been attracted fall mainly into the distributive field—J. Lyons, Pandair Freight, Harris Road Services, Hays Wharf. In Phase 1 at Elmdon there are still two units of 5,000 square feet each to let at an annual rent each of £4,250, and these include a further 500 square feet of offices. Phase 2 of the development will offer about 200,000 square feet in units of varying sizes, by the autumn of 1974.

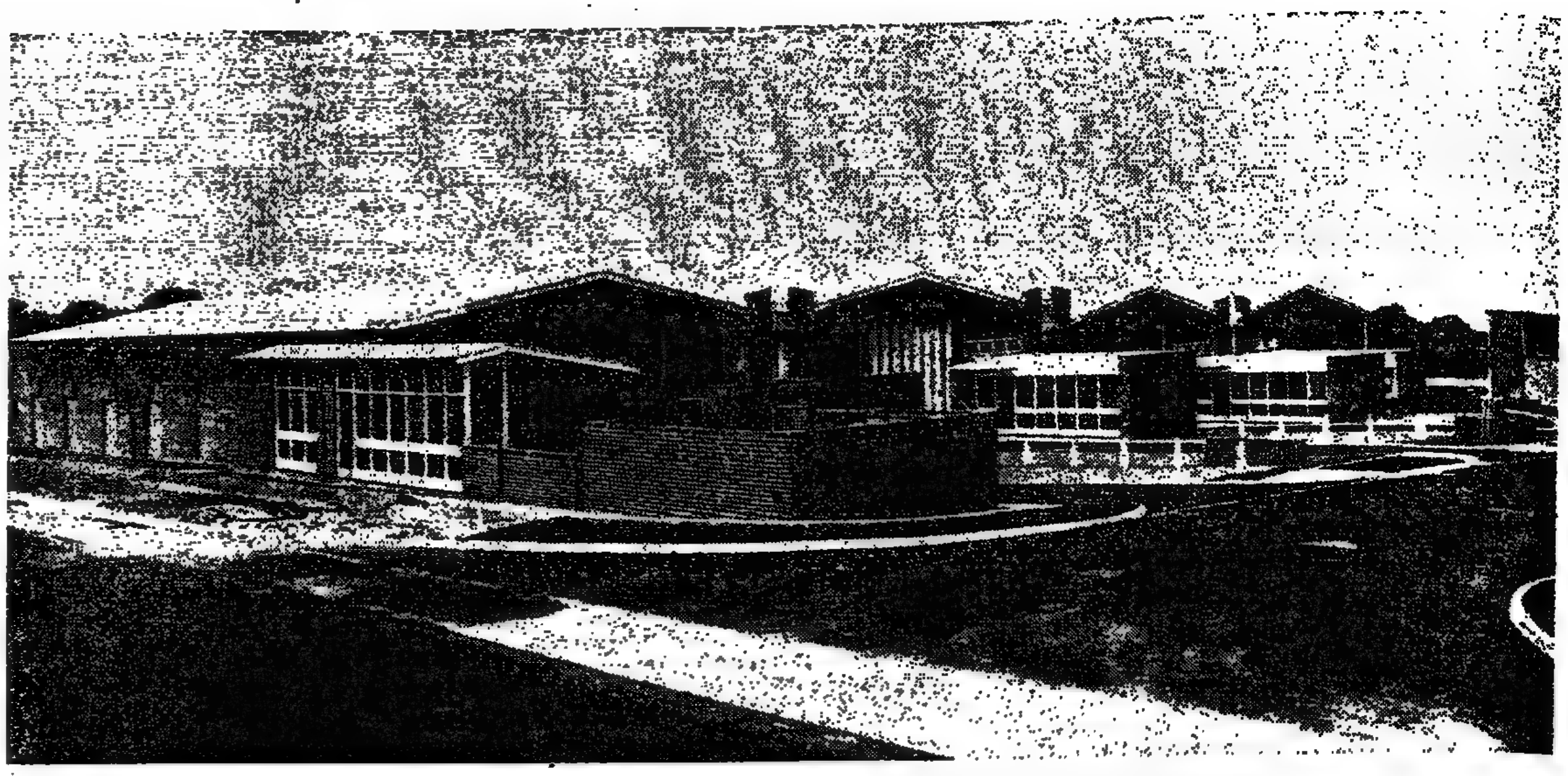
Two further examples of how improvements in the area have affected the location of industrial property are Spaghetti Junction Industrial Park and Gravelly Industrial Park, both of which can claim proximity to the famous motorway junction as a prime asset. Spaghetti Junction Industrial Park lies directly adjacent to Spaghetti Junction and will offer over 350,000 square feet of mainly new manufacturing accommodation over the next two years.

The whole project, being developed by Flaxyard Ltd., of Nottingham, will cost £2.5m. At present, new factory and warehouse units are being offered from 17,000 square feet, at 60p per square foot. No IDCs are required, and the leases on the units are for 21 years. Five options have already been taken on the 8 units. Joint letting agents for Spaghetti Junction Industrial Park are Neale and Alldridge of Birmingham and Anthony Lipton and Co., of London.

Gravelly Industrial Park is also close to the Interchange and here Bryant-Samuel is developing 78 acres in two phases. In the first phase of more than 36 acres, there will be 46 units of 5,000 square feet upwards, a total of nearly 550,000 square feet. Joint letting agents are Grimley and Son of Birmingham and Phoenix Beard of London. In the first phase at the moment there are nine units, from 8,400 square feet up to 21,000 square feet, five of which are already reserved. Rentals will be about 67½p per square foot. The units, all single storey are suitable for both industrial use and warehousing. Phoenix Beard say they can offer units up to 100,000 square feet incorporating tenants' requirements in the near future, at Gravelly Industrial Park.

One firm which has developed rapidly in the West Midlands over the last three years is the A. and J. Mucklow Group Ltd. There are now Mucklow Trading Estates at Saltley, Stirchley, Halesowen, Cradley Heath, Wolverhampton and Wednesbury, among others. Several of the Trading Estates are now fully let, but Mucklow have a 30,000 square foot unit available from October 1 at their Saltley Trading Estate. Also at Saltley they have a modern detached unit of 6,500 square feet available for immediate occupation. These two units will complete Saltley.

At Mucklow Hill, Halesowen, the second phase of this trading estate is planned to begin soon, and it is hoped that about 33,000 square feet will be developed as six small units from 3,750 square feet for either warehousing or factory use. They should be ready in nine months time. At their Cradley Heath estate, too, Mucklow have plans to build eight blocks, comprising 31 units from 3,000 square feet upwards. In all, a total of 150,000 square feet will be provided within the next year.



The Newstead Industrial Estate developed near the M6 at Stoke-on-Trent by the Leslie Brown Group

At Wednesbury, Mucklow have just leased off 110,000 square feet to one company. This still leaves 260,000 square feet on phase two of this estate of which 200,000 square feet is at present under construction with 24 units from 7,500 square feet. Phase three will provide another 100,000 square feet at Wednesbury. At Burslem, Stoke-on-Trent, Mucklow have also just got planning permission for a small estate, with six units, totalling about 40,000 square feet.

Mucklow mainly build speculatively, though they are prepared to build to specific requirements. Their units are usually single storey with 50 ft. bays and 20 ft. clear headroom. Rentals are about 60p to 65p a square foot, on small units, dropping to 50p to 55p a square foot on much larger plans. Agents for Mucklow are Chesshire, Gibson and Co. of Birmingham.

Black Country

Rentals for industrial property in the West Midlands do not vary much from area to area at the moment. This is mainly because accessibility and facilities are strong throughout this region, and demand outruns supply in some areas which might otherwise prove less well-favoured. "I can't see that any one particular area in the West Midlands is better than any of the others," said a spokesman for one well-established estate agents in Birmingham. "At one time the Black Country, towards West Bromwich and Wolverhampton, was the poor relation, but even that's super now."

Throughout the region, warehousing averages 60 to 65p with rentals right up to 80p or 85p for small units with very specialised use. Industrial accommodation may be marginally higher. In some ways, industrial property in the West Midlands works against the small firms who are a mark of business in this region, especially around Birmingham. Birmingham Corporation, in an effort to fill a gap here, offer small units at bottom of the market prices—50p to 55p a square foot. "We don't like to make the market, we like to follow it," a spokesman for the City Estates Department told me.

"The Corporation's policy is to retain its industry and encourage more," he continued. "Generally it's working pretty well as far as the private sector is concerned. But the private sector doesn't really help the people who only want 1,000 or 2,000 square feet. We deal with the small manufacturing concerns." The Corporation, however, which has about 50 acres of land currently available in small parcels, has also had applications from large concerns, "some of the biggest in the country."

These the Corporation may be able to help with a site it will be opening shortly at the old Yardley Sewage Works, a site of around 100 acres. "It could be that large concerns will be interested here — we have already had some inquiries." the Estates Department said. More land will become available in Birmingham itself for industrial development in the next year through the Comprehensive Development Areas. The Corporation intends, too, to increase its building of speculative units.

The relaxed IDC restrictions, with the limit now at 15,000 square feet, have helped Birmingham, too, to attract industry again. Whereas, in 1971 there were at least 3m. square feet of industrial and commercial property empty in the worst periods, the Corporation spokesman can now say: "Undoubtedly we're in demand now. I a lot of people would co Birmingham if they could

Or to the rest of the Midlands, perhaps, where is much to offer, including large areas. In Coventr summer, Grimley and Son offering 68,500 square fee on the Torrington Avenue trial Estate, at 60p per foot. This is single accommodation, suitabl either industrial or wareh use. In Wolverhampton could offer accommodation ing from 18,000 up to square feet in Shaw Road at 60p per square foot. Worcester Trading Estate from 27,000 square feet 80,000 square feet with storey units suitable for trial use, were availal arrangement. Garaging cluded here.

In all, the feeling in th Midlands at the moment business is back wh belongs.

Property men seek a shinier image

Developers are worried about their public reputation and its political consequences, and are trying to change it. ***By Peter Riddell***

IN AN EFFORT to repair its tarnished popular image, the property business is now considering proposals to create an organisation along the lines of the Confederation of British Industry which would present the developers' point of view to both Government and public. The hope is that the new body will be headed by a high-powered director-general—"a £15,000-a-year-plus man, comparable in stature to Campbell Adamson or Vic Feather."

This move, which has the support of most of the leading property companies, follows the increasing criticism which has been directed over the last year at the property business—or industry as it prefers to be called. Landlords have never been popular, but the words "developer" and "speculator" have recently assumed an especially unfavourable connotation and are now widely used as terms of abuse.

There are a number of reasons for this, and for the property industry's current reaction. The main factors seem to be the continuing controversy over empty office space and, in particular, Harry Hyams' Centre Point; the sharp rises in the price of land and houses; the problems caused by flat break-ups; and the successful attacks on the redevelopment proposals for Piccadilly Circus and Covent Garden in London.

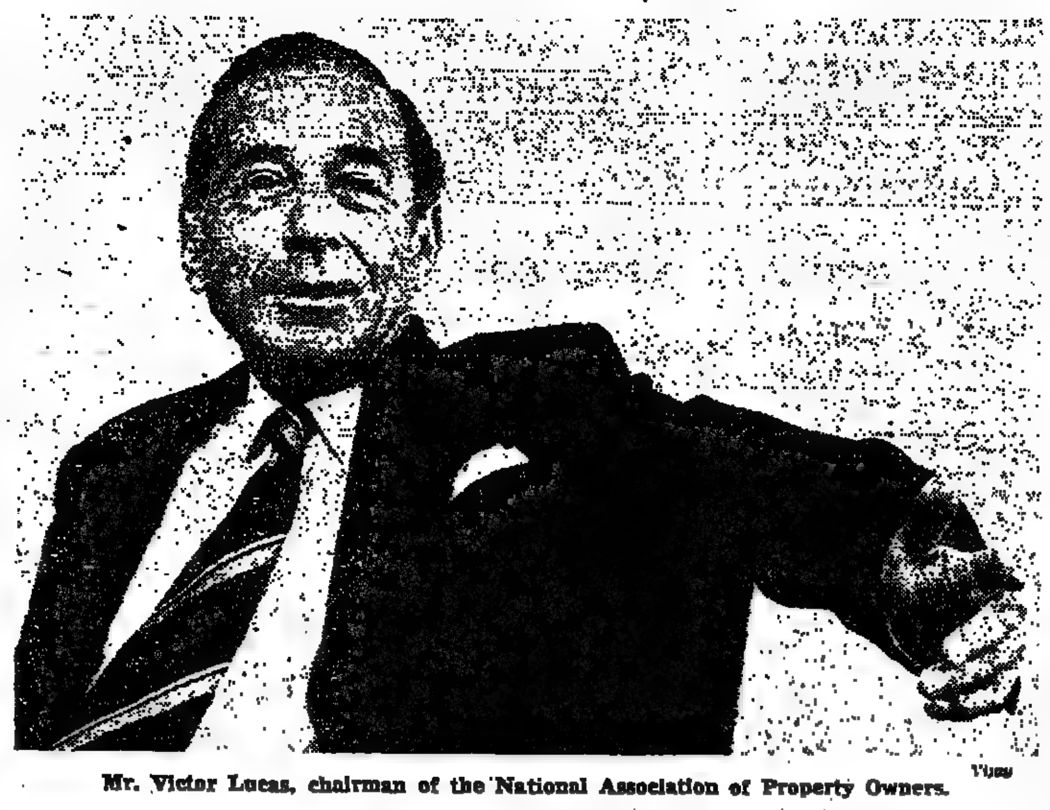
But, perhaps not surprisingly, the pressures for action to meet these criticisms only began to gain widespread support when the industry as a whole felt that its future financial success was threatened. The main impetus came after the Government's announcement last January that the business rent standstill was to continue and consideration was also being given to longer term policy. Although no official indication has been given that this means long term control, many property men were worried by the apparent threat and decided that their case had gone by default for too long.

Landlady

The current moves are centred on the National Association of Property Owners, which claims to represent a wide range of interests from the seaside landlandy to the largest publicly quoted property group. NAPO has in the past been regarded as rather ineffective and sleepy, but this has partly reflected its small budget and cumbersome structure. At any rate, the pressures for reform have gathered increasing support and a new chairman and vice-chairman have been elected—Victor Lucas of Regional Properties and Richard Saunders, a City estate agent—who are committed to pushing through the new structure.

Their initial problem is winning support. Although most of the main developers belong to NAPO—the main exception being Capital and Counties—they have until recently been rather disenchanted with its performance. Indeed, earlier this summer about half a dozen of the main groups were considering taking independent action. But Lucas seems to have won most of them round to the idea of becoming involved in the NAPO discussions and not splitting the property industry's effort.

But a more fundamental problem is that the property industry is by its nature fragmented. There are hundreds of different companies, and a strong tradition of independence—reinforced by the ease with which a new company can be established. Many are run by individual entrepreneur/founders and there is not surprisingly some distrust of collective action. Moreover there are also organisations like the Royal Institution of Chartered Surveyors to represent the professional and agency side of the business.



Mr. Victor Lucas, chairman of the National Association of Property Owners.

Scapegoat

But there are also trends working in favour of an industry-wide representative body. An increasing number of property men feel they are being unjustly attacked—and in particular being made a scapegoat by the Government. This feeling of resentment and frustration was brought out clearly in a recent speech by Arthur Kelting of Hammersons, who argued that the biggest crime the commercial property development industry had committed was that of being successful.

While many, though not all, of the older generation of developers take a defensive and almost resigned attitude to criticism, much of the pressure for effective action has come from a younger group in their late 20's and early 30's. Whether Lucas and his colleagues succeed in persuading these people that NAPO is the right agent of change remains to be seen, but Lucas claims to be very encouraged by the response so far. If the current discussion with the main interested parties—not least about finding the necessary financial support for a possible budget of £200,000 plus a year—are satisfactory, the new structure should start operating before the end of the year.

A number of important questions are still unanswered. It is not at all clear, for example, what actually will be done by the new body, its "high-powered" director general—no names are being mentioned yet—and reorganised secretariat. There is scope for closer liaison with the Government, although there has been frequent contact between NAPO and the Business Rent Directorate this year. But NAPO's hope is that it will be treated as a major representative organisation in much the same way as the vocal and effective aerospace and car lobbies are.

Research

The other main activity will be putting the developers' case to the public and it is clearly intended that—budget permitting—the new organisation will carry out a research and educational function. The main emphasis will be on stressing the contribution the industry has made since the last war to the redevelopment of a large part of Britain's towns and cities by providing shops and offices which are used by millions of people.

This is all based on the view that poor public relations largely explain what has gone wrong so far and all that is really needed is to get the message across more effectively. But the image of property developers may be bad not just because the message is being put over badly but because there is something wrong with important features of the industry itself.

Thus there is strong criticism of the architecture of many recent developments as being mediocre and unimaginative. Whether this is due to the interference of planners, the timidity of architects, or the narrow profit goal of developers, is naturally a subject of fierce debate. It is interesting to note though that many of the finest post-war buildings have been constructed for owner-occupation and not on a speculative basis by developers interested in providing a "safe" and cheap office block satisfying as many people as possible.

Rent control

But the most fundamental and strongly pressed charge is that too much money is going into property. This phenomenon can mainly be explained by the continuing attractions of property in a period of rapid inflation, and unless something occurs to alter that, not even permanent rent control can make much difference to the commitment of insurance companies and pension funds to the sector.

It can however be argued that the rise in property values is diverting money away from possibly more productive uses and is hampering the expansion and efficient operating of industry. This has meant that the exploitation of a trading company's assets for its property potential becomes very alluring.

And while it has been said that this activity—popularly labelled as asset stripping—increases the economy's efficiency, it is not clear on what grounds this efficiency is being judged. There is clearly a danger of commercial property potential being treated as more significant than other vital social and economic goals such as the provision of housing or exports.

This ties in with the argument that the exploitation of land is unlike the production of any other commodity since property is very much a public asset. So not only should the community as a whole have a say in how it is developed, but also it should share in the increase in value following the grant of a planning permission.

The rewards of property are undoubtedly immense, as the recent large surpluses on property revaluations have shown. But it is no good blaming solely developers for this situation, since apart from general inflationary pressures, the main reason why rents in London, for example, have risen so sharply is that planning controls have produced a great shortage of space and unbalanced the market. The position is obviously more complex than that, and there is a danger of "talking rents up," but there is certainly no great conspiracy to board office space.

Nevertheless, the level of rewards is objectionable to many people in the current political and social climate, and the main groups are keen to point out that most of the rewards go to the institutions, and their policy-holders. Property is, however, one of the few sectors left where it is still possible for an individual to become very rich within a very few years.

Offenders

The leading developers also point out the difference between money made responsibly and money made by doubtful speculation in the residential market or in overnight dealing. Lucas himself says the director-general will be able to identify and criticise offenders if necessary. But if his new organisation is to have credibility it will have to answer these charges—and the property industry itself will have to realise that better public relations is no substitute for sensitivity to the current social and political mood.

Labour News

Talks today on Midland car strikes

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

MEETINGS TO-DAY with two very different ends in view will determine the course of two strikes at major motor plants in the Midlands.

Talks will also open to de-fuse a potentially damaging situation at the Ford Motor Dagenham plant.

The strike committee of the 156 electricians at the Chrysler U.K. Coventry factories, who have been on strike for a month over a demand for an extra £250 a year with staff status, is meeting to consider whether to involve members of the Electrical and Plumbing Trades Union at other Chrysler U.K. factories and major suppliers. The meeting is being attended by Mr. Roy Sanderson, national officer.

Spurned by unions

The electricians' cause has been spurned by the two major unions in the motor industry—the Transport and General Workers' Union and the Amalgamated Union of Engineering Workers—and even the millwrights, who have stayed away in support because they also want staff status, will be back at work.

Other unions argue that because the electricians said they would go back if Chrysler U.K. paid the money—only the £190 offered is available under the Phase Two legislation—and the Pay Board then stopped payment, no principle involving union solidarity is at stake.

In other words, the electricians are on their own, and with the rest of the 10,000 workers in Coventry consenting to non-union supervisors doing the electricians' work, could find cars continuing to roll off the assembly lines without their help, although the calling-out of 100 union members on the production lines to support their maintenance colleagues clearly increases management problems.

Chrysler U.K. is anxious to keep the engines and transmissions plant at Stoke (Coventry) at the highest possible level of output, since it supplies the nearby Ryton Avenger works and Linwood, Scotland, making Hunters and Imps, as well as the Commer van factory at Dunstable. Some 4,400 at Linwood are dependent for a recall this week on the steady build-up of supplies from Stoke.

In Birmingham a new attempt will be made to resolve the pay strike by 450 at the Wilmot Breeden components plant, which supplies the whole of the motor industry. They are also maintenance and toolroom workers, and seek pay parity with skilled production workers averaging £55 a week, with up to £60 at the top. This represents a gap of £13 to £18 a week.

Management has offered £3.50 a week with a promise of further negotiations when future wages legislation is known.

Meanwhile, output of window-winding and door mechanisms, bumpers and other components has been at a standstill for nearly a week, and 2,800 are idle.

Heat walk-out

At the Ford Motor Dagenham plant a walk-out by 24 paintshop workers on Friday led to a strike by 170 body plant men and the laying-off of 3,000 workers.

The paintshop workers want additional breaks from work when the temperature inside the cars they work on exceeds 83 degrees Fahrenheit.

TUC has 10m. members —until expulsions

BY ROY ROGERS, LABOUR CORRESPONDENT

BLACKPOOL, Sept. 2.

[illegible]E CONTINUED growth of [illegible]ade unionism among women [illegible]rkers in the public service and [illegible]e affiliation of several Civil [illegible]rvice unions has helped to [illegible]sh TUC membership figures [illegible]ck over the 10m. mark.

To-morrow's expulsion of 20 [illegible]ions for not complying fully [illegible]th the TUC policy of non-[illegible]gistration under the Industrial [illegible]lations Act will, however, [illegible]e some 370,600 from this total [illegible]ving it at about 9.63m.

Those among the 20 rebels [illegible]ich are also affiliated to the [illegible]bour Party—such as the [illegible]kers' Union and the National [illegible]ion of Seamen—may face [illegible]oves to have their party affilia[illegible]n withdrawn. Eligibility for [illegible]C membership is a condition [illegible] Labour Party affiliation, and [illegible] issue is expected to be raised [illegible] Alex Kitson of the Trans-[illegible] and General Workers' Union [illegible] month's pre-conference [illegible] of the Labour Party [illegible]

[illegible] 10,001,419, TUC member-[illegible] totals announced to-day by [illegible] Vic Feather, the retiring [illegible] secretary, show a net [illegible] 302,406 on the year. More [illegible] 138,000 of the new mem-[illegible] are women.

[illegible]he National Union of Public [illegible]ployees attracted almost [illegible] new members last year [illegible]ile the National and Local Government Officers' Association had a net intake of 34,000. These figures do not include membership gains which NUPE claims have been made since the hospital ancillary workers' pay dispute earlier this year.

Other TUC trade groups which have shown considerable membership improvement include transport (other than rail) which now covers a further 22,000, and the technical engineering and scientific group which increased by over 35,000.

The number of registration "rebels" has fallen to 20 following the week-end decision of the 1,800-strong Yorks Powerloom Overlookers' Association to de-register, and news that the 45-member Basketmakers' Union has been disbanded.

Five of the 20—the British Air Line Pilots' Association, the Bakers' Union, Scottish Bakers, Equity and the Writers' Guild—will attend the opening day of Congress to-morrow to appeal against the expulsion moves.

Others such as the bank workers and the Confederation of Health Service Employees forfeited their chances of appealing when they cut off TUC affiliation fees after being suspended at last year's Congress.

Other Labour News Page 7

Power prices delay concern

BY CHRISTOPHER LORENZ

BRITAIN'S ELECTRICITY supply industry is concerned at the time the Government is taking to review the Electricity Council's price increase application. An announcement widely expected ten days ago failed to materialise, and officials now fear that it is being held back in the light of this week's Trades Union Congress and the Government's difficult talks with the unions on Phase Three.

The Electricity Council is already reconciled to the inevitability of a loss in the current year, but had hoped that it would be kept to a minimum by an increase in tariffs. An application was made to the Price Commission on June 4 for rises which it is understood approached 10 per cent. on average, though the brunt would have been borne by domestic consumers rather than industry. One off-peak tariff would have risen by 18 per cent.

Shortly before its time limit for consideration of the claim expired early last month, the Price Commission communicated its verdict to the responsible Minister, Mr. Tom Boardman, Minister for Industry.

The industry has given up hope of approval of anything approaching the level of the claim. But it had hoped that the Government's verdict would be revealed before next week's presentation of the annual reports of the Electricity Council and the Central Electricity Generating Board.

A small rise would give little material assistance to the industry in England and Wales, which is now running heavily in the red. Next week's results from the Electricity Council are expected to show that it broke even in 1972-73, but only with the help of extraordinarily good results from the showroom business.

The Council's application earlier this year for £165m. compensation for loss of income due to price restraint is still under consideration, but it is now unlikely to get even as much as the £100m. indicated in the early summer. The payment is likely to be linked with the losses actually incurred on its trading account.

Next week's report is expected to show that the CEGB made a profit of about £20m. last year, from the industry's policy of concentrating losses at the area Board level. The report will also reveal the CEGB's capital investment programme of £2,100m. for the five years beginning in April.

One of the important issues involved is whether the first half of this programme will include construction of a coal-fired power station. If electricity demand continues to be buoyant, the Board might be able to justify ordering two fossil-fuelled stations next year, rather than the one £200m.-plus station originally envisaged. Whatever happens, a nuclear station will also be ordered.

The Board's priority for the fossil station is still for an oil-fired facility at Killingholme, on the Humber. Now it has been decided that the £150m. oil-fired plant at Inswork Point, in Cornwall, will not be required until the winter of 1980-81, hardware orders for it are unlikely to be placed until 1975, rather than next year, as originally indicated. This could leave the way open for a political compromise between the CEGB and the Government, with orders placed next year for both Killingholme and a coal-fired plant, probably West Burton B, Notts.

The DTI has now approved the coal-to-oil conversion of the 224MW station at Padiham, Lancs., on the ground that the National Coal Board could not supply any sort of coal that would overcome problems of excessive dust and grit emission caused in the furnaces.

Tory expert backs employee councils

BY JOHN BOURNE, LOBBY EDITOR

EMPLOYEE COUNCILS representing all those on company payrolls, including senior staff, are advocated in a Conservative research department document called Employee Participation, published to-day. It was written by Mr. Stephen Abbott, a former member of the research department. He was research secretary to the party study group on industrial relations before the 1970 General Election, after which he became personal adviser to Mr. Robert Carr, then Secretary of State for Employment.

In his paper, which is not an official party statement, he criticises management for resisting employees' claims for a say in work methods. He stresses the right of shareholders and employees to information about the conduct of a company's business, including its industrial relations.

Mr. Abbott expresses doubts about EEC Commission proposals for employee participation at Board level, within a two-tier system of management and supervisory boards, with employee representation on the latter. Britain was not yet ready for the mandatory adoption of such a scheme.

He writes: "Our practical experience of genuine employee participation in decision-making at any level—let alone Board level—is extremely limited. We need time to experiment, to study alternatives, to build foundations and train people."

Mr. Abbott's guidelines for introducing employee councils in Britain are:

1—Consent of the council should be required for any changes or decisions over subjects of direct concern to employees, such as working hours, holidays, safety and health, pensions and rules about personal behaviour at work—except where these were covered in a legally binding collective agreement providing for independent, binding arbitration of disputes.

2—The council's advice would have to be sought before management decisions on certain subjects, such as redundancies, substantial organisational changes and plant closures.

3—Information should be given to the council regularly about the company's general performance and plans.

Employee Participation; Old Queen Street Paper, Conservative Central Office, 32, Smith Square, London, S.W.1; 10p.

Industry angry at training fees increase

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

INDUSTRIAL companies are angry because of unexpected rises ranging up to 25 or 30 per cent. in the fees for certain college courses for young trainees

The fees are for the off-the-job industrial training which makes up about three-fifths of the teaching time of "integrated courses" run by local authority colleges in England and Wales.

Large use is made of these courses by companies—particularly of medium to small size—in engineering, construction, road transport and printing and publishing.

These industries were aware that a rise was coming in the fees, which in the last college year amounted to 40½p per student hour. They believed there was to be a straight 8.5 per cent. increase—to 44p per student hour—for the new teaching year beginning this month.

What they failed to appreciate, however, was that they are now to be charged on the basis of a 40-hour week, even though three-fifths or more of the 200 colleges running the courses work only a 35-hour or, more rarely, a 37½-hour week.

As a result, companies in many instances are having to pay for instruction time which is not provided. In engineering, it is estimated that the employers of 2,700 trainees are being charged for 18,500 hours of teaching which the youngsters do not get.

It is said that the "40-hour factor" is putting an extra and unexpected £200,000 on the training bill of the engineering industry.

Road transport and printing and publishing are estimating the total increases in the costs at 30 per cent. and 20 per cent.

There is also some anger over the role of the Department of Education and Science. Although the committee which decided the fee increase represents the local education authorities, the DES has taken over its chairmanship

COMPANY NEWS + COMMENT

Dowty planning further expansion

A FURTHER substantial improvement over the past year's record results of Dowty Group is confidently forecast by the chairman, Sir George Dowty.

The high level of retained profits, together with better economy in the use of working capital and the temporary deferment of dividends, has improved the liquid position.

Although £2.4m. of deferred dividends were paid immediately following the year end, the company is in a financial position to meet demands for the further expansion of the business, plans for which are well advanced, Sir George states.

He emphasises that growth in air transportation, the need of most countries for more sophisticated defence equipment and the rapidly increasing world demand for energy "will ensure the continued prosperity of the group."

As reported on July 25, group pre-tax profit for the year to March 31, 1973, was £7.19m. (£5.58m.) and the dividend is 13.125 (12.5) per cent. gross. Turnover was £64.47m. (£59.75m.) comprising U.K. £47.73m. (£40.58m.) and overseas £16.74m. (£19.17m.).

A geographical analysis of turnover to third parties (in percentages) shows Europe 10 (17); North and South America 10 (9); Asia and Middle East 4 (same); Africa 1 (same); Australasia 1 (same); U.K. 74 (68).

Long periods often elapse between the inception of a product and its acceptance in the market and the improved results are due to considerable development work in past years.

Regarding repayment of Rolls-Royce debts in full the chairman points out that the law on liquidations allows no interest to be paid to the creditors who have waited for their money despite the fact that the liquidator is to receive interest on the price agreed by Rolls-Royce (1071).

The exceptional provision against full recovery created two years ago has been written back and is included in extraordinary items totalling nearly £2m.

Sir George says that aviation business continues to prosper and orders to hand are 20 per cent. higher than last year. For the longer term there is an increase in new projects which includes work for many overseas customers.

On the civil side an increased demand for airline travel during the past year had a significant effect on activity, particularly in the supply of spares, "and we believe this trend will continue."

In the military field, substantial orders have been received for the landing gear, hydraulics, electrical equipment and a major part of the engine fuel systems on the MRCA and Jaguar aircraft on which types the company anticipate longer production runs.

Sir George looks for a "rapid growth" of the mining companies, and in order to cope with the demand for the company's rubber and plastics products another factory is being opened at Newtown, Montgomeryshire.

Meeting, Cheltenham, October 2, at 11.15 a.m.

Chairman's statement Page 6
See Lex

INDEX TO COMPANY HIGHLIGHTS

British & Canadian Investments

FIRST-HALF pre-tax profit of British and Canadian Investments have increased from £362,000 to a record £407,000—the figure for the year 1972 was £814,000.

Mr R. Elworthy, chairman, reports that demand for construction and agricultural equipment remained extremely strong. Although turnover from sale and service of agricultural equipment was well up, profit was below expectations due to exchange rate problems over imports from Europe.

It is considered to be in the best long-term interests to absorb, for a limited period, some of the considerable extra costs caused by deterioration in the value of sterling so as to remain competitive and, particularly, to retain the share of the agricultural machinery market.

The vehicle transportation company was less profitable. Due to a changing pattern in the car import business, it was difficult to achieve the full loading of transporters necessary for maximum profitability.

First-half earnings are shown at 4.7p (5.1p at actual tax rates or 4.3p at 50 per cent. tax rate previously). An interim dividend of 0.7p per 25p share is declared, equal to last year's 1p gross adjusting for a scrip issue. The 1972 total was equal to 1.3125p.

	Half year 1973 £000	1972 £000
TURNOVER:—		
Construction equip. ...	7,244	3,404
Agricultural equip.	4,525	3,266
Transportation motors	1,047	774
Electronic eng.	111	—
Total	12,950	9,444
PROFIT:—		
Construction	248	139
Agricultural	115	168
Transportation	23	54
Electronic eng.	21	—
Profit before tax	407	362
Taxation	203	146
Net profit	204	216
Interim dividend	30	41
Retained	174	175

Losses from floating sterling charged against trading profit. Comparative 1972 figures adjusted to reflect policy for accounting for new subsidiaries described in 1972 year end accounts.

Net current assets at June 30 were £2.17m. (£1.78m.) and net tangible assets £3.18m. (£3.06m.).

On August 8, Slater Walker Securities held 28 per cent. and SW investment trusts, unit trusts and discretionary investment clients held 24 per cent. of the capital.

Mr. M. J. Booth, a director of SWS, is to join the B and C Board as a non-executive director.

• comment

The first leg of British and Canadian's three-year growth cycle got away to a flying start; not so the second. 1973 six month profits are just 12 per cent. ahead pre-tax and within this performance there are some nasty grey areas with margins coming under severe pressure in both transportation and argricultural machinery. These two accounted for over 40 per cent. of the half's total. As for earnings, doubling-up for the year leaves profits unchanged and the historic p/e is 10½ net and fully diluted. But at 93p there is always the Slater Walker element for the share price to chew upon.

Guardian Properties potential

ONCE AGAIN there is "every indication" that present growth can be maintained and expanded due to increased activity in the development field, Mr. Harry Soning, chairman of Guardian Properties (Holdings), says in his annual statement.

He tells shareholders it is intended to continue expanding the £50m. plus development programme in the U.K. and abroad, with office, industrial and shopping schemes. The company is considering major schemes in the European capitals.

The programme in Europe is "going well." It is backed by by the Drayton Corporation.

Mr. Soning believes that the arrangement made with Mercantile Credit and G.U.S. Property Investments will greatly facilitate the planned expansion of the development programme by reducing dependence on short term borrowings and by obviating the need for separate financing arrangements for each project.

He views the acquisition of 1,600 shop properties from the Cavenham group as having a "dramatic" impact on asset value and investment income. He is confident that valuations now in progress will disclose significant surpluses over the consideration paid.

The value of group investment properties has increased by over £15m. to £29.27m.

In the year ended March 24, 1973, net attributable revenue was £269,450 (£266,050), and the dividend 11.025 (10.5) per cent., as reported on August 18.

Meeting, Inn on the Park, W., September 25 at noon.

British Anzani £10m. programme

BY THE END of its current financial year British Anzani will have over 300,000 square feet of offices on prime sites in London and Birmingham, and will also have let some 1.7m. square feet of warehousing and industrial buildings.

Developments already planned are expected to cost only £10m., says chairman, Mr. G. Faull. Financial arrangements have been made for this and, when market conditions are more favourable, it is intended to replace all or part of bank borrowings by long term debt.

Developments should provide substantial future investments which, with the anticipated growth in the existing investment portfolio, will make considerable contributions to profits in the medium term.

The directors consider that assets, not professionally valued for over two years, are worth "far in excess" of the book figure. Arrangements are being made for re-valuation of a material part at the end of the current year.

The acquired Town and District Properties' programme includes re-development of office buildings in London as well as joint developments with builders in Southern England.

As reported on Saturday, British Anzani has now acquired complete ownership of IMBI Port Developments which is at present developing a 54 acre site adjacent to the Felixstowe Docks.

As reported on August 22 profit available for distribution for the year to March 31, 1973, was £384,245 (£164,226) after deducting £281,192 (nil) pre-acquisition. The gross dividend is effectively raised from 9.166 to 10.657 per cent., and a one-for-five scrip issue is proposed.

An analysis of turnover and pre-tax profit shows rentals £317,152 and £229,786; property dealing £2,078,818 and £759,732; less bank interest £324,611. Civil engineering and quarrying turnover was £559,585 and profit £158,260; paper converting £248,206 and £18,813; ferrous and non-ferrous metal recovery £1,583,951 and £41,222; manufacturing and general engineering £112,151 and loss £70,101. Interest and dividends contributed £63,685 (same).

Meeting, Aylesford, Kent, September 25, at 11 a.m.

Sir Alexander Ross, chairman of United Dominions Trust, which is due to hold its annual meeting in London on Wednesday.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
British and Canadian Investments .... int.	0.7†§	—	1*	—	1.31*

* Equivalent after allowing for scrip issue. † Pence per share. ‡ On capital increased by rights and/or acquisitions issues. § Net equal to last year's gross.

Provincial group gets City backing

Midland Montagu Industrial Finance has invested £430,000 in two companies formed to purchase the businesses of Auto Precision Group, Bristol, from Neville Industrial Securities, and of the fats packaging machinery previously manufactured by BDR Machines, Bristol, from Vokes Group.

Control of both companies is held by Mr. J. P. Turley, founder chairman and managing director of APG, together with other executive directors.

As part of its imbursement, MMIF obtains 42 per cent. of the equity of both companies. Standard Industrial Trust has also taken up shares in the companies.

F. S. Ratcliffe confident

Mr. F. S. Ratcliffe, chairman of precision spray manufacturers and painting contractors, F. S. Ratcliffe Industries, looks to the future with confidence.

The forward order book is again in a very healthy state, and production is running at a "very satisfactory" level. He points out that it is difficult to forecast "in these inflationary times."

The group is facing a wage increase under the terms of an agreement reached prior to Government action which will affect all female operatives and much of the unskilled labour.

As reported on July 25, pre-tax profit for the year ended April 30, 1973, was £148,982 (£92,301) with a dividend of 22½ per cent. (same).

Meeting, Rochdale, September 21, noon.

VANGUARD GROWTH

The final distribution on Income Units of the Vanguard Growth Fund for the year to August 27, 1973, will be 0.698p net (0.469p net last year) per unit, payable on October 15. The total distribution for the period amounts to 0.961p net (0.803p net last year).

WEEKS TRAILERS

Following issuance of the Certificate of Incorporation on Change of Name the name of Weeks Trailers is now Weeks Associates.

Rowntree loss details soon

SHAREHOLDERS in the chocolate and confectionery group Rowntree Mackintosh "will not have long to wait" for full details of the loss the company incurred in cocoa speculation, said finance director, Mr. Kurt Haslinger yesterday.

It is seven weeks since Rowntree announced it had lost £20m. on cocoa deals and that some £10m. would be transferred from reserves to cover the costs after tax relief. Chairman Sir Donald Barron said at the time that the losses "cannot be finalised at present."

There had been rumours in the commodity markets that the losses would top the original estimate—some suggestions were that they could in fact reach £30m. which would cost the company £15m. after tax relief.

Mr. Haslinger refused to comment on these rumours yesterday. "The time is not too far off when we will have the final figure. Then he will write to shareholders and I'm afraid we can say nothing until the shareholders have been given details first," he said.

Neither would be drawn about Rowntree's attitude to the 18 per cent. shareholding in Associated Biscuit Manufacturers which it holds as a trade investment and is currently worth about £3m. A similar trade investment — in Northern Foods — was sold recently to raise £4m. and speculation is rife that the ABM stake will also be sold.

All Mr. Haslinger would say on this point was "every aspect of our business has been under consideration."

F.T. Share Information Service

The following securities have been added to the Share Information Service appearing in the Financial Times.

A.R.V. Holdings (Section: Buildings).

Algemene Bank Nederland N.V. (Section: Banks).

Bejam Group (Section: Foods).

Leigh (Leonard) Interests (Section: Industrials).

Smith Bros. (Section: Trusts-Finance Land).

Universal Oil Products (Section: Americans).

BRONX ENGINEERING

Resolutions have been passed changing the name of The Bronx Engineering Company to Bronx Engineering Holdings, altering the memorandum, and adopting new articles.

BIDS AND DEALS

Meyer's £4½m. off[er] for Vic Hallam

TWO DIRECTORS who control a vital 13 per cent. of Vic Hallam, the system building group, are expected to give their views to-day on the £4.5m. offer, that was agreed by the rest of the Board just before midnight on Friday.

The offer is a joint one from two major timber importers—both of them big suppliers to Hallam. Montagu L. Meyer will make the bid of 170p cash per share and then pass on half the shares to May and Hassell, the idea being to prevent an unseemly battle developing between the two as both want to ensure they can continue to rely on an important customer.

Most of the Hallam directors, including 74-year-old Mr. Vic Hallam, chairman, are supporting the offer and they and their families will accept. The two exceptions are Mr. Gordon Hallam and Mr. Alec Hudson.

It was these two directors who supported a £3m. offer for Hallam from Austin Hall. However, this was opposed by the rest of the Board and eventually withdrawn on August 28.

Since the split developed in the Hallam family and in the Boardroom the two factions have not been in contact. So it was only from Press reports that Mr. Gordon Hallam and Mr. Hudson learned about the latest development. Both offered only "no comment" yesterday but Mr. Hallam indicated they might have something to say to-day.

Their 13 per cent. is important to the outcome of the latest offer because Meyer already owns 11.2 per cent. of Hallam, while the directors who have agreed to accept account for another 2.29 per cent. Austin Hall is believed to still hold a further 23 per cent. and stands to make a reasonable profit on its shares should it accept.

The Market clearly got wind that something was in the air on Friday and the Hallam shares rose 7p to 162p (ex dividend), their highest so far this year.

Mr. Vic Hallam said yesterday that Meyer and May and Hassell had indicated they would keep Hallam as a separate operating company and treat it as a trade investment. He described the companies as "large suppliers and long-standing friends."

In the negotiations, Hallam was advised by Robert Fleming, Meyer by Hambros and May and Hassell by Brown Shipley.

• comment

Meyer and May and Hassell have decided to take over where Austin-Hall left off, only this time the consents lie with the main body of the Hallam Board the bidders the sums a[...] coming profits (forecast) least £750,000 for 1973 for in terms of gross fin[...] charges of around £600,00[0] Hallam there is an exit 13½ net and a share pric[e] more than doubled fro[m] earlier this year.

See Men and Matters pa[ge]

ELLIS & EVERA[RD] SAYS "WAIT"

Mr. A. J. Everard, chair[man of] Ellis & Everard, says he [is] giving shareholders a full e[xplana]tion of the reason for the rejection of the Unilever [...]tion offer in good time bef[ore the] offer closes.

Meanwhile, the di[rectors] reiterate their advice to O[rdinary] shareholders to take no ac[tion on] the documents.

As known, the di[rectors] supported by financial a[dvisers] S. G. Warburg & Co., are [unani]mous in their view that th[e offer] is unacceptable. Directors [will not] accept the present offer [...] in respect of their own h[oldings] amounting to 14.5 per cent [of the] Ordinary, and have receive[d assur]ances of support from hol[ders of] a further 24.8 per cent. [making] 39.3 per cent. in total, Mr. [...] says.

ALCO MET. STA[KE] IN SCOTIA

Alco Metropolitan Pr[...] has an interest in 1.27m. in Scotia Investments—28 [per] cent. of the issued capital [...] is represented by Alco' beneficial interest in shares and Alco di[...] personal holdings of 150,0[00]

WINTRUST

The extraordinary mee[ting of] Wintrust approved the acq[uisition] of a portfolio of quoted se[curities] from Prudential Assuran[ce, par]ticulars of which have been announced. The ag[reement] has become unconditiona[l and] the 250,000 new ordinary [shares] of Wintrust to be issue[d have] been granted a quotation. [...]fication, the Prudential [and] subsidiaries will own 7 p[er cent.] in Wintrust.

GEOFFREY WO[ODS]

Geoffrey Woods, Col[...] based fan manufacturers became a member of the Essex-based Myson group [...] is to be renamed Myson [...] with effect from Septem[ber ...] 1973.

Gresham Investme[nt] growth

ANOTHER satisfactory increase in revenue profits this year including a "worthwhile" rise in investment income, and substantial future property sales profits, are confidently expected by the directors of Gresham Investment Trust.

In their annual statement, Mr. P. G. Wreford and Mr. M. B. Baring, the joint chairmen, say it is anticipated that the steady expansion of group activities (merchant bank, investment trusts and property investment), such as the opening of a first branch in Birmingham and extensions overseas, will bear fruit over the next few years.

They draw attention to the £6.4m. excess over cost in the value of quoted and unquoted investments, which they stress should provide an "adequate insurance" against any uncertainties which might beset the country over the next few years.

As reported on August 20, group pre-tax revenue profit increased by 44 per cent. to £986,000 for the year to March 31, 1973, and the gross dividend is the maximum permitted 7.875 per cent., against 7.5 per cent.

Capital profits from sales of unquoted holdings and other fixed assets, taken to capital reserve, amounted to £2,070,000. Over the past eight years, such profits before tax have aggregated £4.8m., against revenue profits of £3.9m.

The rate of rise in revenue profit, the capital profit, and the rate of increase in new business, were all higher than in any previous period, the joint chairmen point out.

Noting that book value of group property interests has advanced from £688,000 at end-March 1972 to £2,137,000 at March 31, 1973, they say the directors are confident of a substantial profit when the properties are eventually sold.

A share option scheme is proposed to replace the Executive Share Incentive Scheme approved in 1971. An alteration to the Articles regarding borrowing powers is also recommended.

Meeting, Barrington [...] Gresham Street, EC, Sep[tember] 26, noon.

Wilkins & Mitchell

Information concerning [the] effects of inflation on the [profits] and assets of Servis w[ashing] machine, etc., manufac[turers] Wilkins and Mitchell, is give[n with] the full accounts for the y[ear to] March 31, 1973, as follows.

	Results as published £000
Sales	24,794
Profit before tax	1,573
Taxation	605
Net profit	968
Dividends	168
Retained	800
Net current assets	2,673
Fixed assets	4,019
Total equity interest ...	5,398

As reported on July 19, observations on prospects [and] details of land and bu[ildings] revaluation, the past year's [profit] of £1,573,000, compares [with] £807,000 for the previous [year] and the dividend is raised [from] 12 to 12.6 per cent.

Thorn Electrical Industrie[s has] a substantial interest in the [com]pany. Meeting, Wolverham[pton,] September 27, noon.

Issue News

MIDLAND BANK STATISTICS

Statistics compiled by Midland Bank show that [the] amount of "new money" r[aised] in the U.K. by the issu[e of] marketable securities in Au[gust] was £14.4m., compared [with] £68.7m. for August 1972. In [the] first eight months of this [year] £243.7m. has been raised, [com]pared with £868.7m. in the s[ame] period in 1972.

A large issue of ordinary sh[ares] was made by Jefferson Sm[urfit] (£5.2m.), and the largest issu[e of] loan stock was made by T[...] Assets (£4.0m.).

RESULTS AND ACCOUNTS IN BRIEF

BERTAM CONSOLIDATED RUBBER—Results for year to March 31, 1973, already known. Group fixed assets £751,047 (£744,470). Net current assets £245,737 (£28,677). Chairman says with price of rubber as it is, much higher sales figures will be achieved, provided there is not a collapse in the market. Much depends on Phase III and beyond. Meeting, Sevenoaks, September 18 at 11 a.m.

BOLLINGTON TEXTILE PRINTERS (In Great Universal Stores group)—Group net profit, year to March 31, 1973, £28,209 (£24,382) after tax £15,271 (£15,159). Dividend on Ordinary shares £13,400 (£12,650).

COWAN, DE GROOT (importers and manufacturers of toys and fancy goods)—Results for year ended April 30, 1973, reported July 27. Group fixed assets £610,519 (£487,980). Net current assets £1,338,183 (£1,247,496). Chairman says company's prospects are excellent. With group sales on increase a significant rise in profits is confidently expected in current year. Meeting, Abercorn Rooms, E.C., September 21, noon.

DELYN (packaging products)—Turnover 24 weeks to March 8, 1973, was £896,000 (£813,000). Pre-tax loss £18,000 (loss £47,000). Chairman anticipates acceleration in the improvement to year-end. No interim in accordance with practice of last few years but Board satisfied that year's results will enable a final (last year 7½ per cent.).

DIAMOND STYLUS COMPANY—Results year to March 31, 1973, reported July 12. Group fixed assets £243,906 (£227,165). Net current assets £106,542 (£59,302). Improved profit expected for current year. Meeting, Colwyn Bay, September 21, noon.

EDINBURGH ICE RINK—No dividend for year to March 31, 1973. Net profit £3,128, raising credit balance to £4,155. Property insured for £110,000 though book value on freehold stands at £12,300 with further £22,000 in plant and furnishings.

ELYS (WIMBLEDON)—departmental stores—Interim 0.7p net equal to 1p gross (same—total 2.857p). Sales 28 weeks to July 28, 1973 are £1,295,244 (£1,216,121) after deducting value added tax £77,227 (nil). Pre-tax profit £32,607 (£31,013) after depreciation £25,932 (£25,867) and interest £45,235 (£27,179). Tax £12,043 (£12,465). Net profit £19,564 (£18,008).

ALBERT FISHER GROUP (wholesale fruit and vegetable merchants). Results 14 months to May 31, 1973, reported August 17. Group fixed assets £411,039 (£136,806). Net current liabilities £85,311 (£1,671 assets). Board satisfied with progress of group and further growth envisaged in future.

Meeting, Burnley, September 20 at 2.30 p.m.

GENERAL FUNDS INVESTMENT TRUST—Gross revenue for second quarter to July 31, 1973, was £121,234 (£123,922) making £196,530 (£174,672) so far (£350,844 for year to January 15, 1973). Investment at July 30, 1973, totalled £15,422,382 (£16,100,769 at January 15, 1973) including 21 per cent. dollar premium representing £1,608,421 (18½ per cent. £997,073). Net asset value per 25p Ordinary share was 193.54p (208.60p) including 100 per cent. of the dollar premium or 191.04p (205.75p) less 25 per cent. premium where applicable. Figures for the 10p Convertible Ordinary were 147.09p (134.40p) or 144.59p (132.20p). Interim results should not be taken as indication for rest of year, states Board.

KINTA KELLAS TIN DREDGING—Third interim 38½ per cent. net equal to 55 per cent. gross, making 105 per cent. year to March 31, 1973 (100 per cent.). Profit £140,696 (£116,339) after tax £139,000 (£114,834).

KWAHU COMPANY—Results, year to June 30, 1973, reported August 20. Quoted investments £834,729 (£573,991), market value £862,076 (£915,346). Company is in a strong liquid position and well placed to take advantage of any selective investment opportunities, says chairman. Meeting, 25-35 City Road, E.C., September 21, at 11.30 a.m.

LONGTON TRANSPORT (HOLDINGS)—Results, year to March 31, 1973, reported August 2. Group fixed assets £2.42m. (£1.65m.). Net current assets £1.37m. (£1.52m.). Breakdown of turnover and profit shows £000s omitted: road transport, storage and distribution £2,461 (£1,212) and £108 (£79); steel stockholding, processing and engineering supplies £3,960 (£2,738) and £338 (£213); vehicle distribution, repair services and crane hire £5,457 (£3,932) and £205 (£100). Current year prospects appear "very good," says chairman. Meeting, Stoke-on-Trent, September 20, at 2.45 p.m.

MORAN TEA HOLDINGS—Final 1.54 per cent. net equal to 2.2 per cent. gross, making 4.2 per cent. for year to March 31, 1973 (5 per cent. for 15 months). Group pre-tax loss £55,607 (loss £14,207). Tax credit £500 (credit £11,000). U.K. operations produced net profit of £49,291 (£37,165). Indian subsidiary loss £101,458, some of which can be attributed to accountancy changes. Neither weather conditions nor crop output were as favourable as expected and prices for tea were lower than in previous years as less was sold under forward contracts.

PHILIPS ELECTRICAL—Group turnover 1972 £98.24m. (£68.33m.). Profit £13.16m. (£4.28m.), less tax £5.37m. (£1.84m.) including £4.72m. (£1.80m.) payable in respect group relief. Interim dividend—no final—£3.5m. (nil). Forward £17.48m. (£13.17m.). Fixed assets £10.51m. (£9.25m.). Net current assets £3.27m. (£7.03m.). Directors estimate market value of land and buildings approximately £6.8m. over book value.

RFD GROUP (makers of aeronau[tical] and marine life-saving equipment)—Results year ended March 31, reported August 2. Fixed assets £[...] (£1.56m.) and net current assets £[...] (£2.37m.). Chairman will be "surpris[ed]" if last year's forecast of £500,000 [...] is not comfortably exceeded this [...]. In longer term, profits will show for expansion. Meeting, Dorchester, September 29 at noon.

SCOTTISH EASTERN INVEST[MENT] TRUST—Gross revenue half-year July 1973, £1,674,664 (£1,277,487) and earn[ings] 1.58p (1.09p). Valuation of investm[ents] and deposits £63.2m. (£58.4m.), at June 31, 1973. Full London dollar premi[um] 13.4p (8.4p). Net asset value: [...] charges at par 136p (147p) and [...] charges at market value 142p (152p).

STERLING INDUSTRIES (engineer[ing] subsidiary of Carter Trust)—Res[ults] year to March 31, 1973, reported Augu[st] Group fixed assets £393,732 (£793,414). [...] current assets £605,031 (£661,059). Rega[rd]ing provision of £29,000 for a debt dispute, this has been settled and £1[...]—about £12,000 after tax—released fr[om] provision. Company well ahead in f[irst] quarter current year and order bo[ok] much healthier, says chairman. Meeti[ng,] 2 and 4, St. Mary Axe, E.C., Septem[ber] 20, noon.

WINCHMORE INVESTMENT TRUST—Gross revenue, six months to June [30,] 1973, was £23,011 (£15,561) less [...] interest and charges £5,870 (nil) and oth[er] expenses £2,201 (£1,977), leaving revenu[e] before tax £14,940 (£13,584). Net as[set] value per share was 65p, a decrease [of] 5.9 per cent. since December 31, 1972.

WYNDHAM ENGINEERING—Resul[ts] year to March 31, 1973, already know[n]. Fixed assets £73,114 (£69,979). Curren[t] assets £93,684 (£86,977), liabilities £[...] (£28,931). Meeting, Cardiff, Septembe[r] 19, noon.

Pending dividends timetable

For the convenience of readers, the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent. shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend announcements.

	Date	Announcement last year
Advance Laundries	Oct. 5	Int. 4%
Albright and Wilson	Sept. 6	Int. 2%
Amal. Metal	Sept. 19	Int. due
Anglo Amer.-OFS Gp.	Sept.	Dividends
Associated Dairies	Aug. 31	Final 8%
Associated Fisheries	Sept. 22	Int. 7%
BBA Group	Sept. 30	Int. 4%
BICC	Sept. 29	Int. 5¼%
BSR	Sept. 8	Int. 10.8% §
BTR	Sept. 3	Int. 10% §
Babcock and Wilcox	Sept. 13	Int. 4½% §
Bank of Scotland	Sept. 28	Int. 10%
Barclay Secs.	Oct. 3	Int. 15%
Booker McConnell	Sept. 20	Int. 4%
Bovis	Sept. 11	Int. 12%
Bowater	Sept. 7	Int. 3%
Bowthorpe	Oct. 6	Int. 7½%
British Aluminium	Sept. 14	Int. 4%
British Elec. Traction	Sept. 6	Final 15%
British Petroleum	Sept. 6	Int. 5%
British Printg.	Sept. 20	Int. 5%
British Ropes	Sept. 20	Int. 9%
Brook St. Bureau	Aug. 21	Int. 16%
Bunzl Pulp	Oct. 5	Int. 10.8%
Burmah Oil	Sept. 22	Int. 6¼%
Cadbury Schweppes	Sept. 29	Int. 5%
Cape Asbestos	Oct. 2	Int. 10%
*Carpets International	Sept. 3	Int. 5¼%
Carreras	Sept. 5	Final 11%
Clarke Chapman-J. Thompson	Oct. 5	Int. 6%
Combined English Stores	Oct. 4	Int. 12%
Costain (R.)	Sept. 13	Int. 13% §
Crane Fruehauf	Oct. 5	Int. 6%
Croda Intnl.	Sept. 14	Int. 8½%
*Dalgety	Sept. 5	Final 6%
*Danish Bacon	Sept. 5	Int. 4%
*De Beers	Sept. 5	Int. 6 cents
Debenhams	Sept. 22	Int. 4%
*Decca	Sept. 4	Final 32%
Delta Metal	Sept. 29	Int. 9%
Dickinson Robinson	Sept. 27	Int. 10%
EMI	Oct. 5	Final 7½%
Eagle Star	Sept. 21	Int. 15% §
*Felixstowe Dock	Sept. 6	Final 5¼%
First National Finance	Sept. 29	Int. 15%
*Fisons	Sept. 24	Int. 5¼%
Foseco Minsep	Sept. 22	Int. 5.8%
Freemans (Ldn. SW9)	Oct. 4	Int. 8%
Gallaher	Sept. 28	Int. 10%
*Guardian Ryl.	Sept. 13	Int. 16%
Guinness Peat	Aug. 17	Final 25%
Homfray	Sept. 23	Final 17½%
Howden (A.)	Sept. 21	Int. 15% §
Hudson's Bay	Aug. 25	Final 25 cents
Hutchison International	Sept. 5	Final 80 cents
IC Gas	July 29	Final 10½%
*ICI	Sept. 6	Int. 6½%
*IMI	Sept. 4	Int. 5½%
*Jourdan (T.)	Sept. 10	Int. 10%
Keyser Ullmann	Aug. 23	Final 20%
Laing (J.)	Sept. 26	Int. 4%
Laird Group	Sept. 11	Int. 6¼%
Laurence Scott	Sept. 21	Int. 4%
Lex Service Group	Aug. 31	Int. 7½%
*Long John International	Sept. 6	Int. 4%
Lonrho	Sept. 13	Int. 7%
Morgan Crucible	Oct. 6	Int. 13½%
National and Grindlays	Sept. 13	Int. 8%
Pearson Longman	Sept. 15	Int. 7½%
Phoenix Assce.	Sept. 28	Int. 18%
*Plessey	Sept. 11	Final 5%
Portals	Sept. 18	Int. 7%
Provident Clothing	Sept. 7	Int. 12% §
*Prudential Assce.	Sept. 20	Int. 50%
Ready Mixed Concrete	Sept. 29	Int. 12%
*Reckitt and Colman	Sept. 11	Int. 9%
Rio Tinto-Zinc	Sept. 21	Int. 8%
Rockware	Oct. 5	Int. 9%
Rowntree Mackintosh	Sept. 27	Int. 5%
*Royal Dutch	Sept. 13	Int. 17½%
Schroders	Sept. 22	Int. 4.2%
Scottish and Universal	Sept. 9	Final 12½%
*Shell Transpt.	Sept. 13	Int. 24%
Star (GB)	Sept. 28	Int. 9% §
*Steetley	Sept. 12	Int. 8%
*Stone-Platt	Sept. 20	Int. 6%
*Sun Alliance	Sept. 5	Int. 8¼%
Tarmac	Sept. 29	Int. 7%
Tate and Lyle	Sept. 22	Sec. int. 6%
Thomson Organisation	Sept. 30	Int. 10%
Tilling (Thos.)	Sept. 14	Int. 9%
*Transport Development	Sept. 6	Int. 4½%
*Tube Invest.	Sept. 12	Int. 9%
Utd. Biscuits	Sept. 21	Int. 6%
Utd. Builders Merchants	Oct. 6	Int. 10%
Union Corpn. Group	Sept.	Dividends
Vickers	Sept. 22	Int. 1½%
Wadham Stringer	Sept. 19	Int. 6%
Wadkin	Sept. 30	Int. 6½%
Wheelock Marden	Sept. 9	Final 70 cents
Wimn Indus.	Sept. 29	Int. 6¼%
Zambian Anglo American	Sept. 6	Final 12.5p

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

Local Authority Investments

LOCAL AUTHORITY loan rates weakened in the temporary sector last week, partly as a result of more settled conditions in the inter-bank overnight market, where rates did not reach the exceptionally high levels seen on some earlier days.

In the mortgage sector, on the other hand, there was a stronger tone, although business in periods longer than one year was highly restricted. Conditions in the money market as a whole remain such that quotations are largely nominal.

Loans at 7-days' notice to local authorities opened the week (after the Bank Holiday) at 13¾-14¼ per cent., against the previous 14-14¼ per cent., but reached 13-14 per cent. on Wednesday, and were at 13½-13¾ per cent. on Thursday, before ending at 13¾-14 per cent. One-month deposits finished at 13¾-14 per cent., against 14¼-15 per cent. previously, and three-month at 14-14¼ per cent., against 14-14¼ per cent., but one-year mortgages ended at 14-14¼ per cent., against 13¾-14 per cent.

No clear trend appeared in the London short-term money market as a whole, although the settling back in overnight inter-bank rates helped to reduce fixed-period rates at the very short end. The three-month sterling certificate yield was unchanged on balance, at 14¾ per cent., while there was a marginal fall in the Treasury bill rate at the weekly tender, of 0.0010 per cent. to 10.9744 per cent.

The Financial Times Government Securities Index showed marginal day-to-day fluctuations, falling 0.06 per cent. on balance to 64.30 per cent., a level 0.43 per cent. above the all-time low of 63.87 per cent. touched on Wednesday of the previous week.

One-year local authority bonds were placed during the week at par, with a coupon of 14¼ per cent., to offer a return ¼ per cent. above that on the previous week's

*** Rate (%) August 31, 1973**

2 days' notice (deposit receipt)	13 —13½
7 days' notice (deposit receipt)	13½—14
7 days' notice after one month (deposit receipt)	13½—14
7 days' notice after three months (deposit receipt)	14 —14½
7 days' notice after six months (deposit receipt)	13½—14†
Mortgage at one month's mutual notice, after 11 months	14 —14½
Mortgage at one month's lender notice after 11 months (nominal term 2-5 years)	12 —13½‡†
2 years' mortgage	13 —13½†
3 years' mortgage	12½—12¾†
4 years' mortgage	12½—12¾†
5 years' mortgage	12 —12½†
6-10 years' mortgage	12 —12½†
11-30 years' mortgage	11¾—12½†

*Rates are for sums not less than £20,000 and are subject to local variations and fluctuations. †Nominal. ‡Shorter period may attract higher rates than longer.

Public Works Loan Board rates

(Effective from August 25, 1973)

Years	Quota loans Repaid By instalments	Quota loans Repaid At maturity	Non-quota loans Repaid By instalments	Non-quota loans Repaid At maturity
Up to 5	11	11½	12	11¾
Over 5, up to 10	11½	11½	12	11¾
Over 10, up to 15	11½	11½	11¾	11½
Over 15, up to 25	11½	11¾	11¾	11¾
Over 25	11¾	11¾	11½	11¾

COMPANY NEWS

BRW sees turnover rise but warns on costs

WITH TRADING continuing at a high level turnover at British Relay Wireless and Television will increase, but no indication is given of the profit which will be derived from this expansion.

This view on the group's current prospects is contained in the prepared annual statement of Lord Renwick, who died last Friday.

This year the high level of colour set disposals has been maintained and, normally, there would be no hesitation in forecasting a further substantial increase in profit. However, VAT will have a significant effect upon profit growth.

Apart from the considerable sum which the group is absorbing, the application of the tax has other implications, mainly upon the relationship between re-hire rentals for pre-April equipments which have borne purchase tax and yet are subject to the full rate of VAT and those for new equipments which cost substantially less.

The overall effect is determined by the number of sets displaced and re-hired and, in the case of monochrome, this is a substantial figure.

There are other adverse factors and principal among them is the cost of financing trading. With Phase Three an unknown quantity ahead "it cannot be predicted to what extent we shall be able to adjust our affairs to compensate for rising costs.

In the longer term, the directors are optimistic about the future of cable. Expectations of markedly greater benefits from the investment in cable systems are increasing and it could well be that the extended usage of systems may develop when the growth period of colour television is coming to an end.

In the year ended April 28, 1973, group turnover came to £22.34m. (£18.22m.) and profits to £1.78m. (£1.01m.). The dividend is again 9 per cent., as stated on August 15.

Retail trading continued at about the same level with a deliberate shift of emphasis to colour television and audio equipment. Margins on these goods are under less pressure from discount shopping than certain other products.

To give the greatest flexibility for financing continued expansion, it is proposed to raise the borrowing limit. In exchange for Preference holders' consent, it is proposed to increase their dividend from 4.55 per cent. to 5.6 per cent., or from 6½ per cent. to 8 per cent. gross.

Lloyds and Scottish is shown to have an interest in 11.93m. Ordinary BRW shares, and Philips an interest in 6.5m.

Meeting, Winchester House, E.C., September 28, at noon.

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See Lex

Board Meetings

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims—BTR, Desoutter Bros., Revertex.

Finals—Blackwood Morton, Glendevon Investment Trust, Hawkins Development, Kursaal, J. and J. Makin Paper.

FUTURE DATES

Interims—

British Mohair Spinners	Sept. 5
Brown and Jackson	Sept. 6
Collins (William)	Sept. 5
Stone-Platt Industries	Sept. 20

Finals—

British Electric Traction	Sept. 6
Chambers and Fargus	Sept. 7
Courtney Pope	Sept. 4
Dalgety	Sept. 5
Felixstowe Dock and Railway	Sept. 6
Galliford Estates	Sept. 6

A.P. Cement Australia progress

Associated Portland Cement Manufacturers (Australia), announcing an interim dividend of 5.5 per cent. payable October 15, reports that group sales revenue for the half-year to June 30, 1973, was 8 per cent. higher, but cost increases resulted in profitability of cement operations being only marginally increased.

Overall group net profit after tax showed an advance of 21 per cent.

The predominant influence, the directors say, was the virtual withdrawal at the start of 1973 from drilling by the contract drilling subsidiary, which incurred considerable losses in the corresponding period of 1972. All subsidiaries operated profitably.

Cement operations have been affected in the current half-year by major industrial disruption, the statement adds.

Houchin sees more growth

With its present production capacity and highly developed product range Houchin, makers of ground equipment for aircraft electrical servicing, starting and cargo handling, will continue to maintain its growth and prospects, says chairman Mr. R. W. Houchin.

As reported on August 10, pre-tax profit for the year ended April 30, 1973, was £377,040 (£319,082) with a dividend of 20 per cent. (same).

The design and installation of static aircraft supplies progressed well during the year, the chairman reports and this type of installation is expected to play an important role in the company's turnover in future years.

Current orders and future prospects of Air Transport (Charter) (C.I.) are satisfactory, he adds.

Meeting Ashford (Kent), September 26 at 10 a.m.

Attock Oil position

The chairman of the Attock Oil Company, Mr. D. P. McCarthy, stresses that 1972 was not an easy year either for Pakistan or the company. It was foreseen, he says, that the introduction of many industrial, labour, social and economic measures, all of which industry was required to finance, would have their effect on profitability. Of even more impact on the company was the devaluation of the Pakistan rupee.

As reported on August 16 pre-tax profit for 1972 was £456,556 (£1,272,798) with a dividend of 6 per cent. (same).

The chairman reports on the investigations into a merger with Ball and Collins (Oil and Gas), a British unquoted public company engaged principally in oil exploration in the North Sea and other areas.

He says independent reports on Ball and Collins HM HM M M B and C have been put in hand—a technical report on its oil leases has taken longer to prepare than thought, but is expected shortly, when the two Boards will be able to commence detailed discussions.

Attock's products are sold to Government agencies and established marketing companies, with "strict" Governmental control on prices. The company has continued to represent that returns are inadequate and although Government has carried out a detailed investigation into profitability no decision has yet been taken.

Meeting, Winchester House, E.C., September 26, noon.

Good start for David Smith

SUBJECT TO ANY serious economic factors beyond Board control, Mr. D. S. Smith, chairman of David S. Smith, printers and carton manufacturers, is sure the current year will again be one of further improvement.

He confirms that results to date are "very encouraging" and profitability is progressing satisfactorily. A major objective is to increase output to a level that will enable the company to absorb that portion of cost increases it is not permitted to pass on to customers.

As reported on August 17, pre-tax profit for the year to April 30, 1973, was £340,327 (£301,173) with a dividend of 18.9 per cent. (18 per cent.). A one-for-five scrip issue is also proposed.

Meeting, Kingsley Hotel, W.C., September 28, noon.

Chairman's statement Page 8

WINGATE

The directors of Property Growth Assurance Company and Wingate Investments state that arrangements were completed at the end of June whereby Property Growth has made available £3m. to Wingate for a 10-year term secured against St. Alphage House, London Wall. The advance comprises a fixed interest investment at an average rate of 11.1 per cent. for one of the Property Growth Annuity Funds.

Wingate Investments was advised in the negotiations by S. G. Warburg.

FINANCIAL TIMES STOCK INDICES

—	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 24	Aug. 23	A Year ago
Government Secs.	64.30	64.31	64.33	64.34	64.36	64.00	72.05
Fixed Interest	64.89	64.82	64.79	65.15	65.32	65.29	74.17
Industrial Ordinary*	414.4	417.7	417.7	415.2	414.6	414.4	516.4
Gold Mines	154.7	158.2	158.4	148.0	146.9	149.4	97.2
Ord Div Yield %	4.55	4.51	4.51	4.56	4.54	4.56	5.16
Earnings Yld% (full) (a)	10.17	10.09	10.09	10.19	10.16	10.16	†4.85
P/E Ratio (net) (a) (b)	13.48	13.59	13.51	13.39	13.42	13.42	†20.70
Dealings marked	6,581	6,597	5,975	5,690	5,479	5,861	10,495

*10 a.m. 416.2 11 a.m. 416.2 Noon 415.5 1 p.m. 415.5 2 p.m. 415.5 3 p.m. 415.4

Latest index 01-246 8026.

(a) Based on 50% Corporation Tax. (b) Nil=13.37. † On old basis.

HIGHS AND LOWS

—	1973 High	1973 Low	Since Compilation High	Since Compilation Low
Govt Secs.	72.08 (22/1)	63.87 (22/8)	127.4 (9/1/35)	63.87 (22/8/73)
Fixed Int.	73.85 (25/1)	64.59 (31/8)	150.4 (28/11/47)	64.59 (31/8/73)
Ind Ord.	509.5 (10/1)	413.2 (28/8)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	205.6 (6/7)	93.5 (19/1)	205.6 (6/7/73)	43.5 (26/10/71)

S.E. ACTIVITY

—	Aug. 31	Aug. 30
Daily—		
Gilt Edged	119.5	129.0
Industrials	222.1	224.0
Speculative	116.4	121.2
Totals	149.8	152.4
5-day Avge—		
Gilt Edged	122.2	126.6
Industrials	200.8	195.2
Speculative	118.5	111.6
Totals	138.5	135.2

Basic 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

FT—ACTUARIES INDICES

	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 24	Aug. 23	A Year ago
Industrial Group	167.90	168.56	168.05	167.21	167.42	167.71	215.37
500 Shares	176.63	177.55	177.10	175.83	176.15	176.40	223.01
Div. Yield pc.	4.28	4.25	4.26	4.29	4.28	4.28	3.28
P/E Ratio (net)	14.56	14.64	14.65	14.55	14.58	14.61	18.66
All Share	175.57	176.37	175.92	174.90	175.21	175.39	221.33
Consols Yield pc.	11.45	11.45	11.43	11.42	11.41	11.54	9.53

†On old basis.

BANK BASE RATES

Allied Irish Banks Ltd.	11 %
Anglo-Eastern Bank	11½%
Anglo-Portuguese Bank	11 %
Banco de Bilbao	11 %
Bank of Cyprus	‡11½%
■ Wm. Brandt's	11 %
Brit. Bk. of Commerce	12 %
Brit. Bank of Mid. East	11 %
■ Brown Shipley	11½%
Cedar Holdings	11 %
■ Charterhouse Japhet	11 %
Choulartons	11 %
C. E. Coates	11½%
Consolidated Credits	11 %
Co-operative Bank	*11 %
Corinthian Securities	11 %
Credit Lyonnais	11 %
G. R. Dawes	11 %
Dawnay Day	11½%
Duboff Brothers	11 %
Dunbar & Co. Ltd.	11½%
Duncan Lawrie	11 %
English Transcont.	11 %
First Maryland	11 %
FNFC	11 %
■ Antony Gibbs	11½%
Gresham Trust	11½%
Greyhound Guaranty	11 %
■ Guinness Mahon	11 %
■ Hambros Bank	11 %
Hawtin & Partners	11 %
■ Hill Samuel	§11½%
C. Hoare & Co.	†11 %
Julian S. Hodge	11 %
Italian International	11½%
Jacobs, Kroll	11½%
Keyser Ullmann	11 %
Kinghurst Securities	11½%
London & County Sec.	11½%
London Mercantile	11 %
■ Samuel Montagu	11 %
■ Morgan Grenfell	11 %
Morris Wigram Ltd.	11½%
Northern Comm. Tst.	12 %
■ Rea Brothers	11½%
■ N. M. Rothschild	11 %
St. Mary Axe Finance	11½%
E. S. Schwab	11 %
Security Tst. Co. Bhm.	11½%
Standard Guarantee	11½%
Sterling Credit	11½%
Sterling Industrial Sec.	11½%
Swiss-Israel Trade Bk.	11 %
Twentieth Century Bk.	11 %
Wallace Bros. Sassoon	11½%
Whiteaway Laidlaw	11 %
G. T. Whyte	11 %
Wintrust	12 %

■ Members of the Accepting Houses Committee.
* Seven-day deposits 9½%; one-month 9¾%.
† Seven-day deposits—on sums of £10,000 and under 9½%; up to £25,000 9¾%; over £25,000 10%.
§ Demand Deposits 10½%.
‡ Linked to M.L.R.

RECENT ISSUES

EQUITIES

Issue Price	Amount Paid Up	Latest Renunc. Date	1973 High	1973 Low	Stock	Closing Price	+ or —	Div. Amount	Times Covered	Gross Yield	P/E Ratio
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Algemene Bk Ned Fl100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	ARV Hldgs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	BankAm'rica Cp. $3.125	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Beatrc (CB) 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Bejam Group (10p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Bridge Bros. (1p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Clairwood (10p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	TRSi (US$5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Intl. Inv. Tst. of Jersey	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Jones Group (10p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Lockerie	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Sainsbury (J.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Smith Bros.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Universal Oil Prod. $1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Vantage Sec. (10p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Wearwell (5p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1973 High	1973 Low	Stock	Closing Price	+ or —
‡‡	F.P.	24/8	94½	90	Croydon Trust 11% Uns. 78/81	90½	—
‡‡	F.P.	—	97	95	Lloyds Bank 7½% Cnv. Uns. Sub. Ln. 1994	96¾	−¼
‡‡	F.P.	—	91	90½	Midland Bank 10½% Sub. Ord. Uns. 93/98	90½	−½
‡‡	F.P.	—	94	91¼	Do. 7½% Cnv. Sub. Ord. Uns. 83/93	93	−1
‡‡	F.P.	—	88½	80	Notts. Man. [illegible] Cnv. [illegible]	80	—
£95	£10	—	8¼	8½	Rickm'nsw'th & Uxb'dge Water 7% Red. Prf. '78	8½	−¼
£100	F.P.	—	88¼	80	Rolls-Royce Motors 8% Cnv. Uns. Ln. 97/2002	80½	—
‡‡	F.P.	—	101	97	Smiths Inds. 7½% Cnv. 85/90	97	—
‡‡	F.P.	—	102	97½	Steel Bros 5½% NonCum Cnv 4th Pref 93/2005	97½	—
[illegible]	£25	—	30	26½	Tower Assets 10% Conv. Loan 1985	28	−¼
[illegible]	[illegible]	—	[illegible]	[illegible]	Ward White 8% Cnv. Uns. [illegible]	[illegible]	[illegible]

Issue Price	Amount Paid Up	Latest Renunc. Date	1973 High	1973 Low	Stock	Closing Price	+ or —
[illegible]	F.P.	[illegible]	70p	[illegible]	Boultons (Wm.) 9½% Cum. Red. Prf.	70p	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Carding Invs. 8½% Gtd. Cnv. Uns. 1985	100	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Lesar Hldgs. 10 Conv. Ln. 1985	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Comb. 10% Cnv. Uns. 92/95	102	[illegible]

"RIGHTS" OFFERS

Issue Price	Amount Paid Up	Latest Renunc. Date	1973 High	1973 Low	Stock	Closing Price	+ or —
[illegible]	nil	[illegible]	[illegible]	[illegible]	Argo Inv.	65pm	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Chambers & Fargus	8pm	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lamont (James H.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Oceana Cons.	57	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Pahang Cons.	50	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Smith Holdings (Whitworth)	55	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Unicorn Inds.	150	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Trust Bk. Africa	3pm	[illegible]

Renunciation date usually last day for dealing free of stamp duty. a Figures based on prospectus estimate. d Dividend rate paid or payable on part capital; cover based on dividend on full capital. [illegible] ‡ Issued by tender. ¶ Offered to holders of Ordinary shares as a "rights." ** Issued by way of capitalisation. †† Tender allotment price. [illegible] Introduction. [illegible] Issued in connection with reorganisation, merger or take-over. [illegible] Issued to former Preference holders. ■ Allotment letters (or fully-paid). [illegible] Provisional or partly-paid allotment letters. ★ With warrants.

MINING NOTEBOOK

The tocsins are ringing for mining investors

BY LODESTAR

FOR THE private investors many of whom have accepted the challenges offered over the years in putting up the risk capital for the development the world's vitally needed mineral resources the tocsins are beginning to ring.

From the purely mining point of view this is undoubtedly a menacing development. This is because, rightly or wrongly, there is a feeling that Governments do not make efficient miners. The world's second biggest industry needs a much greater spirit of adventure than can be provided by the desk-bound brigade.

Otherwise it will tend to wither if only because the big mining houses will no longer want to risk their shareholders' money in expensive searches in even more remote parts of the world for the globe's remaining and always shrinking mineral resources in the light of a future the necessary rewards for which can be sliced away by the stroke of a government knife.

And if they give up the ghost it is going to be questionable whether governments can breed, or indeed afford, the kind of men who will find and develop the mines of the future. There are already examples of governments *who have plunged whole-heartedly* into their countries' mining fields and who are already having to evoke, albeit quietly, the aid, both financial and technical, of overseas mining houses.

These thoughts have been inspired by further consideration of Australia's latest bout of natural resources nationalism and by the new explosion of mangement take-over zeal by the Zambian Government in a copper-mining industry in which it has already acquired a 51 per cent. stake. In Canada, particularly in that up and coming mineral state British Columbia, the miners' efforts are being stultified by fiery threats from the state governments. In Ireland development of the big Navan zinc find is being hindered by government lethargy.

Sad drab day

The story could be carried further. And if the sabotage efforts of the environmentalists throughout the world are also taken into account many people are beginning to think that the day of the private investor in the historically exciting mining investment scene may well be drawing to a close.

If it does so it will be a sad drab day for man's adventurous spirit and will inevitably slow down the vital search for the world's remaining mineral resources. Mining investors should take heart from the fact that the day is not yet here. But the way that Australia is going, in particular, under its new masters is a signpost towards the creeping paralysis that is gradually setting in. Taxpayers everywhere should beware.

In the meantime, mining companies both big and small are soldiering on. It is the latter fraternity which will chiefly come under the withering influence of sterile government policies.

The philosophical view was put by one somewhat disillusioned mining investor over the weekend. Let the governments move in, he said, let them take all the risks. It will at least be better than their sudden devouring of large slices of the few carrots which I ever manage to get my teeth into after a great deal of hard financial running.

South Africa

Meanwhile, at least the South African Government seems to be behaving impeccably towards its thriving gold-mining industry. With its long experience of mining it is unlikely to take the mistaken and retrograde step of its counterpart in Australia of regarding the extractive process, a necessarily dying one from the very moment the first ton of ore is extracted, as similar to that of manufacturing for tax purposes. Over the years the marked difference between the two has, although not without some fierce battles, been recognised by most civilised governments. The Whitlam administration is thus now regarded as having taken a step backward into the dark ages.

South Africa's sliding-scale formula tax for its gold mines at least encourages the working of ore which would be uneconomic on a flat rate basis. And it is notable that some of the veterans, emboldened by the higher gold price, are now actively probing new ground. South African Land's prospects are regarded as particularly intriguing in this respect and in some Johannesburg quarters the shares at 195p are regarded as a likely speculation. I may have more to say about this next week.

Two examples have come to hand of how the best-laid plans of mining analysts can quickly go agley. Brokers James Capel "much prefer Zambia Copper Investments to Bougainville which appears to have a greater political risk." Brokers Kitcat and Aitken recommend Charter Consolidated in a 17-page survey. Both ZCI and Charter were among Friday's market casualties following swingeing Zambian Government blows at the private minority interest in its big copper industry.

Kitcat could, however, still be right about Charter despite its stake in Zambian copper which only represented 6.3 per cent. of its investments as at March 31 last. It is the strong asset position, estimated at 310p a share compared with Friday's price of 180p, which the brokers regard as one of the chief attractions of this currently out of fashion stock.

It should also be noted that the stake in Zambia is held through the 23.5 per cent. slice of Zambian Anglo American now Bermuda based and the holder of 84m. units of ZCI 6 per cent. loan stock 1982 (quoted on Friday at 35p) and 18.5m. 1978 units (28p).

Zamanglo

Zamanglo would thus gain still more cash if these bonds (totalling around £100m.) are indeed going to be redeemed in the near future and its ability to "invest anywhere in the world," to quote Mr. Harry Oppenheimer, would be further enhanced. The avowed policy of broadening the scope of the company's interests may thus now be accelerated and it is felt that the London-based Charter Consolidated could well be involved in this in due course.

So don't panic out of Charter seems to be the message. In fact, it might pay to be a buyer in the further disturbed market days that are likely to lie ahead while the Zambian situation is sorted out.

As for the other Zambian copper shares, ZCI and Roan Consolidated Mines, the generous yields have been the measure of the kind of political risk that is now coming home to roost and those critics of this column's prolonged lack of enthusiasm for this neck of the mining woods may now relapse into rueful silence.

It should not be too hastily assumed that dividends from the operating companies will automatically be halved under the new regulations. In the June quarter, Nchanga already paid out only slightly under half its available earnings after deducting capital expenditure. The other half was retained in Zambia.

INSURANCE

The EEC non-life directive

BY OUR INSURANCE CORRESPONDENT

IN THE SAME week that this year's Insurance Companies Amendment Act received Royal Assent, the Council of Ministers in Brussels approved the first EEC Directive affecting the transaction of direct insurance in the Community. And though *the main concern of both is with* solvency there are considerable differences between the Act and the directive.

The Act now in force is of immediate consequence for British insurers, making new rules both for life and non-life business. But the impact of the directive, which affects only non-life business, lies 18 months or more ahead.

This is because the directive is only an instruction to member governments to introduce legislation to bring the insurance regulations of each member state into line. Each government has 1½ years from the date of formal notification to do this—notification of a directive is by its publication in the Community's official journal—and publication date was August 15.

Solvency margin

However, in the Insurance Companies Amendment Act, Section 28, the government has already taken powers to allow the Department of Trade and Industry to make an order varying both the amount of and the method of calculating the solvency margin British insurers have to have for their general business. It must be assumed that after due consideration with the companies and with Lloyd's, such an order will be made, perhaps even before the ultimate due date of February 15, 1975.

But for insurers this is still not necessarily the date for compliance. The directive sets up two further time limits. First it provides that *insurers are to have* 2½ years from the date of notification to comply with any new national legislation other than those measures designed to introduce common solvency standards: second it gives insurers in countries where new solvency standards have to be introduced, 5 years to comply.

Requirements

The assumption is that the majority of British insurers will be able to comply within the 2½ year period but that some small insurers may need longer. Generally the view is that the net effect of the changes will not cause special difficulties for British insurers. The principal difference between the EEC solvency rules and those at present applicable here lies in the fact that the EEC rules will require a margin based on claims as well as on premium.

The EEC margins are expressed in units of account. The prescribed margin on premiums is 18 per cent. on the first 10m. units and 16 per cent. on income beyond the first 10m. units. The prescribed margin on claims looks at the three-year average and requires 26 per cent. on the first 7m. units and 23 per cent. on the excess. Both margins are calculated gross of reinsurance but credit of up to 50 per cent. is then given in respect of claims which reinsurers will have to meet.

Originally the unit of account the EEC had in mind was the U.S. dollar but with the fluctuation in the value of the dollar against many European currencies it is entirely possible that a different unit of account will have to be found. At the present time, so I am told, anyone doing his sums should take a unit of account as being roughly the equivalent of 50 Belgian Francs.

It is one thing to establish solvency margins and another to ensure that they are maintained. At present the detailed supervision of technical reserves is to be left to national authorities but the Directive stipulates that reserves should be localised in the country concerned.

In the negotiation stage this was the only provision that British insurers thought would make a fundamental change and for that reason they pressed strongly for its abrogation. But the Commission was adamant and the stipulation remains. However, it has been agreed that individual member States can relax the stipulation provided there is consultation first with other members and with the Commission. This, it is to be hoped in practice, will enable British insurers to continue to enjoy the freedom to which they have become accustomed.

Burmah Oil input project at Liverpool

A PROJECT through which Burmah-Castrol hopes to increase greatly its input of crude oil at the Liverpool's Tranmere Oil Terminal is ready for commissioning. The first tanker to test the facilities is expected around September 30. About 11 acres of *foreshore was reclaimed by the* Mersey Docks and Harbour Company to provide a base for the Burmah-Castrol expansion scheme.

Burmah Oil, which has financed the project, has built two giant tanks with a total capacity of 100,000 tons, and there is space for a third tank if required. The project includes a pumphouse and control building. Pipelines have been laid to the Burmah-Castrol refinery at Ellesmere Port.

Advice centre on Midlands Japan trade

ABOUT 30 East Midlands companies keen to increase exports to Japan are sending executives to a special advice centre at Nottingham to-day and to-morrow.

The centre has been organised in conjunction with the British Overseas Trade Board by Nottingham Chamber of Commerce and Industry. The executives will meet Mr. Peter Wakefield, the Board's special adviser on the Japanese market and until recently Minister (Economics and Commercial) at the British Embassy in Tokyo.

Firm winter rates for tanker charters

BY RAY DAFTER

CHARTERERS OF oil tankers are expecting rates in the charter market to remain firm over the winter, according to one London broker.

Lambert Brothers Shipbroking says this expectation is implied in the rate which had been ruling in the past week. An American company was reported to have taken over 2.5m. tons of tankers on single and consecutive voyages starting as late as October at a high rate of Worldscale 260 and above.

Davies and Newman is even more optimistic on owners' behalf. "The demand for September and October tonnage from American, British, Continental and South American charterers remains very strong indeed, and it seems inevitable that rates will rise still further," it states.

In the Persian Gulf sector *tonnage has been chartered* throughout September at around W300 and the going rate for a 60,000 to 70,000 tonner is now put at about W315.

The Mediterranean market has been particularly erratic, with rates for vessels up to 40,000 tons remaining firm but larger vessels being forced to concede lower rates in view of spasmodic inquiry. Interest in vacant tonnage from Nigeria is increasing and, as a result, rates are said to be firm.

John I. Jacobs reports that attention being focused on the single voyage market, has been accompanied by a lull in activity in the period market. It says that owners' rate ideas for delivery within this year are now at levels which will probably limit the volume of fixing.

WEEKLY AVERAGES OF U.K. INDICES

Week to—	Aug. 31	Aug. 24	Aug. 17	Aug. 10
Financial Times				
Govt. Secs.	64.32	64.24	64.42	64.79
Fixed Interest	64.83	65.41	65.56	65.84
Industr'l Ord	415.8	416.2	428.4	425.7
Gold Mines	153.8	151.8	145.6	157.2
Dealings mkd	6,256	6,090	6,290	6,951
F.T.-Actuaries				
Ind. Group	167.93	168.87	171.97	171.32
500-Share	176.73	177.46	181.05	181.46
All-Share	175.63	176.53	179.95	180.42
20-year Govt.	62.52	62.29	62.50	63.01
Red. Debs.	62.56	62.78	63.82	63.85

MONTHLY AVERAGES OF STOCK INDICES

—	Aug.	July	June	May
F.T. Actuaries				
Ind. Grp.	170.30	174.65	186.45	180.55
500-Share	178.69	185.22	196.63	191.66
All-Share (651)	178.68	184.24	196.25	188.88
20-year Govt.	63.17	66.47	[illegible]	70.37
Red. Debs.	65.22	66.91	68.78	68.49
Financial Times				
Govrnmt Secs.	64.81	67.36	69.61	70.01
Fixed Interest	65.50	68.03	70.42	70.79
Industrial Ord	422.6	431.2	464.9	457.4
Gold Mines	154.2	179.2	151.1	130.5
Dealings mkd.	6,476	7,630	8,714	8,662

	High	Low
Industrial Ord.	431.1 (16th)	413.2 (28th)
All-Share	189.69 (2nd)	177.61 (27th)

INTERNATIONAL COMPANY NEWS + EURO MARKETS

EUROBONDS

Market stays quiet

BY MARY CAMPBELL

THE MARKET was again mostly quiet last week, but prices of both straights and convertibles did drift upward somewhat again. There is still little sign of sustained retail demand, but dealers report many more inquiries than usual. Turnover was marginally lower than the week before.

The most notable feature of the market at present is the gradual narrowing of yield differentials between bonds denominated in dollars and those denominated in most European currencies. All sectors of the market are under pressure from high interest rates. Yields on dollar bonds issued by industrial companies are now only marginally over 9 per cent. on average. Few think that it will be possible to make a new issue in etiher D-marks or French francs in current conditions at under 8 per cent.

The only exception to this is the Swiss franc market, where the ruling rate for a prime name is now 6¼ per cent. Conditions on this market are not good—the Swiss-placed section of the Outokumpu issue was actually undersubscribed. But, nonetheless, issues are still being announced with their usual regularity.

This situation contrasts with the D-mark market, where the Capital Markets Sub-Committee has decided that the pause in new issues should be maintained for a bit longer.

In the dollar sector, rumours of new issues continue. Certainly, there are a lot of borrowers lined up and issue managers are reviewing the situation from day to day. The same applies to the possibility of another local British local authority borrowing — it could happen any time. However, terms are likely to be affected by the Liverpool issue of loan notes—which are currently trading at a premium—and it could be difficult for other local authorities to borrow on significantly better terms.

There is, however, no sign of decline in activity on the medium term lending market. A major new feature of the market is demand from U.S. Real Estate Trusts for standby credits to back up their domestic commercial paper borrowings in the U.S. Getting on for $200m. worth of such credits are thought to be in the market at present.

Cedel handled transactions worth a nominal $130.3m. last week ($135m. the previous week, and Euroclear transactions worth $180.9m. ($199.0m.). The Bondtrade indices on Friday stood at 96.60 for mediums (96.20), 90.18 for longs (89.88) and 114.99 for convertibles (113.5).

Honda will open plant in Italy

By Peter Tumiati

ROME, Sept. 2.

IAP-HONDA, the Italian importers of Japan's Honda, is to go ahead with the new plant it is building at Atessa in central Italy. The plant was designed to manufacture and assemble small Honda motor cycles, the import of which is now banned.

The company had been authorised to import the motors from Japan and then assemble them into motor cycles at Atessa. (Only the motors would have been imported from Japan.) This year 5,000 Honda 125 cc. and 250 cc. motors would have been imported. Next year's target was 15,000 of which 5,000 would be for the Italian market and the rest for export.

The import licence for the motors, which was first suspended earlier this year, was recently revoked by the Foreign Trade Ministry. The decision was the outcome of a wave of protests by Italian motor cycle manufacturers, led by the Italo Argentinian former racing car driver Sig. Alessandro de Tomaso. He heads two of Italy's biggest motor cycle manufacturers and threatened to transfer them to Yugoslavia if the operation was allowed to proceed.

IAP-Honda stresses that it is only the import licence which has been revoked. It adds that the Foreign Trade Ministry could not revoke a licence to build the Atessa plant for the simple reason that no Foreign Trade Ministry licence had been granted for it. The Atessa plant, IAP now says, is to be completed in September and will start coming into production in October.

Billiton link with Surinam

By Michael Van Os

AMSTERDAM, Sept. 2.

THE GOVERNMENT of Surinam (Dutch Guyana) has established an official stake in the country's main industry, bauxite production. This follows the agreement in principle signed in Paramaribo with the Dutch Billiton company, which is part of the Shell group.

An official Surinam-registered company, Billiton Surinam, will be set up in which the government will have a 25 per cent. interest and the Dutch company the remainder. Financial details of the transaction are still being hammered out.

The Dutch Billiton company will also take an interest of up to 25 per cent. in Grasshopper Aluminium (Grassalco).

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport †	Indus *	Util. ⊕	Trading volume* 000's
Aug. 31	71.71	159.36	887.57	96.02	10,530
30	71.63	156.96	882.53	95.83	12,100
29	71.61	157.50	883.43	95.32	15,690
28	71.64	156.25	872.07	95.28	11,310
27	71.60	155.64	870.71	94.84	9,740
24	71.49	154.44	863.49	95.16	11,200
23	71.47	153.67	864.46	96.00	11,350
22	71.33	151.97	851.90	94.65	10,770
21	71.44	152.86	857.84	95.05	11,480
20	71.38	154.48	857.40	95.16	8,970
17	71.46	155.37	871.84	95.12	11,110
16	71.38	156.07	872.74	94.56	12,990
15	71.35	157.05	874.17	94.64	12,040
14	71.40	156.41	870.71	94.64	11,740
13	71.46	157.81	883.20	95.13	11,530
10	71.67	158.36	892.38	96.08	10,870
1973 High	75.54 (18/1)	228.10 (2/1)	1051.70 (11/1)	120.72 (2/1)	—
Low	71.33 (15/8)	151.97 (22/8)	851.90 (22/8)	94.56 (16/8)	—

‡ All-time high 279.88 (7/2/69).
⊕ All-time high 163.32 (30/4/65).
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Aug. 24	Aug. 17	Aug. 25, 1972
3.89	3.85	3.26

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

STANDARD AND POORS U.S. STOCK INDICES

	* Ind. Ord.	†Composite
Aug. 31	117.21	104.25
" 30	116.85	103.88
" 29	117.07	104.03
" 28	115.39	103.02
" 27	113.18	102.42
" 24	114.23	101.62
" 23	114.61	101.91
" 22	112.97	100.53
" 21	113.36	100.89
" 20	114.21	101.61
1973 High	134.03 (5/1)	120.17 (5/1)
1973 Low	112.97 (22/8)	100.53 (22/8)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Aug. 29	Aug. 22	Aug. 30 1972
Ind. Ord. yield pc.	2.88	2.98	2.57
Ind. Ord. p/e ratio	13.02	13.53	19.12
Long-term Govt. Bds. pc	6.36	6.66	5.44

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Lucky Stores	137,100	12½	+⅛
Teleprompter	136,700	10	−⅛
Pitney Bowes	128,200	11⅛	−⅛
Norton Simon	122,100	28	−⅛
A.T.O.	93,000	7⅞	—
Warner Lambert	91,900	46	—
Ramada Inn	88,900	9⅞	+⅛
Inter. Paper	88,500	44⅞	+⅛
Deere	75,500	55⅞	+⅛
Texaco	75,000	30	+⅛

MELBOURNE YIELD INDICES

Av'ge yield on 50 Leading Stocks	Aug. 30	Aug. 23	Aug. 16
On Dividends	4.95	4.63	4.71
On Earnings	7.98	7.40	7.41

SYDNEY ALL ORD. INDEX

Aug. 31	Aug. 30	High 1973	Low 1973
515.10	508.61	637.28 (19/1)	500.52 (29/8)

HONG KONG INDEX⊕

Aug. 31	Aug. 30	High 1973	Low 1973
600.15	601.61	1,774.96 (9/3)	494.50 (11/1)

SINGAPORE INDEX §

Aug. 31	Aug. 30	High 1973	Low 1973
302.45	305.96	611.36 (13/3)	295.00 (1/8)

§ Ex all. Xd ex-dividend.

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Sept. 1	Aug. 31	Div. %	Yield %
369.75	370.42	11.90	1.98

1973 High 422.43 (24/1) Low 340.11 (25/4)

EUROPE

	Aug. 31	Previous	1973 High	1973 Low
Belg'm(∞)	131.39	131.10	142.33 (22/6)	123.11 (2/1)
Denm'rk(∞)	126.69	126.88	128.95 (10/8)	120.28 (6/7)
France(bb)	85.2	84.4	98.9 (4/6)	79.3 (8/1)
Germany(*)	93.32	93.18	120.71 (25/3)	89.90 (27/7)

OVERSEAS SHARE INFORMATION

NEW YORK

CANADA

TORONTO

MONTREAL

JOHANNESBURG

AUSTRALIAN WEEKLY LIST

TEL AVIV STOCK EXCHANGE

HONG KONG

SINGAPORE PRICES

CANADIAN WEEKLY LIST

GERMANY

PARIS

MILAN

AMSTERDAM

SWITZERLAND

BRUSSELS

STOCKHOLM

OSLO

VIENNA

AUSTRALIA

TOKYO

COPENHAGEN

SPAIN

Crown Life expansion

AUTHORISED UNIT TRUSTS (p★★★)

OFFSHORE AND OVERSEAS FUNDS (p★★★)

Morgan Grenfell Fds Mgt (CI) Ltd
19 Pollet St., St. Peter Port, Guernsey, C.I.

Channel Islands..	94.6	99.6	......	—

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C.2. 041-221 5521

*HopeStreetFund	US$22.21	......	—
†Murray Fund....	US$8.95	......	—

* NAV Aug. 15. † NAV July 31.

Negit S.A.
10a, Boulevard Royal, Luxembourg.

NAV Aug. 24 1973	US$10.22	—0.11	—

NOTES

§ Yield allows for all buying expenses. p***Pence except where otherwise indicated. a Offered prices include all expenses. b To-day's prices. c Yield based on offer prices. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. z Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains. ¶ Guernsey yield. § Suspended. —Not available, exchange restrictions. ◆ Prices not including $ Premium.

UNIT TRUST PRICES

SHARE INFORMATION SERVICE: NOTES

Estimated price/earnings ratios and covers adjusted to corporation tax of 50 per cent. on imputation system effective April 5. P/Es calculated on "net" earnings: bracketed figures indicate 10 per cent. or more difference if calculated on "nil" earnings. Covers are based on "full" earnings.

Yields based on middle prices are gross and allow for value of declared distributions and rights.

* Highs and lows marked thus have been adjusted to allow for rights issues for cash.
† Interim (or quarterly) since increased or resumed.
‡ Interim (or quarterly) since reduced passed or deferred.
†† Not comparable: net dividends paid.
◆ Figures or report awaited.

Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
Δ Indicates interim dividend since paid where none was paid before.
•• Convertible loan stock issue in existence.
◆ Merger bid or reorganisation in progress.
♣ Special deposit certificates.
♠ Same interim; reduced final and/or reduced earnings indicated.
‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
* Cover does not allow for shares which may also rank for dividend at a future date. No p/e ratio usually provided.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k After local taxes. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividends and yield exclude a special payment. t Indicated dividend; cover relates to previous dividend, p/e ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. v Tax free up to 30p in the £. w Yields allow for currency

A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Figures based on prospectus or other official estimates for 1973. F Figures based on prospectus or other official estimates for 1972-73. G Assumed dividend and yield after pending scrip and/or rights issue. H Excluding refunds of U.S. Capital Gains Tax. J Figures based on prospectus or other official estimates for 1972. M Figures based on prospectus or other official estimates for 1973-74. R Equivalent rate before additional capital was paid up. P Yields based on 1967 payments. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all.

Money & Exchanges

Bank of England Minimum Lending Rate 11½%
(since July 27, 1973)

Day-to-day credit was in short supply for the most part last week, though the exceptional inter-bank levels reached on some days earlier in August were not recovered. Government disbursements were greater than revenue transfers to the Exchequer, while there was a net take-up of Treasury bills the authorities held maturing commercial bills, gilt-edged settlements were against the market's favour, and there were large repayments to be made to the Bank of England of sums borrowed at the Minimum Lending Rate. The authorities bought a small amount of Treasury bills on Tuesday, when business resumed after the Bank Holiday, and a small amount on Wednesday, while on Thursday they made moderate purchases of Treasury and Bank bills, and on Friday bought a moderate amount of Treasury, bank, and local authority bills.

Secured call loans to Discount houses ranged from 9 per cent. to 11 per cent., while overnight loans in the inter-bank market commanded 10 per cent. to 14 per cent. The more settled conditions in the inter-bank overnight market were reflected in weaker fixed period rates at the short end of various money market sectors, but the three-month yield on the certificates was unchanged on balance, at 14¼ per cent. The Treasury bill rate fell 0.0010 per cent. at Friday's tender to 10.9744 per cent. Rates in the sterling interest rate table below are largely nominal.

Sterling closed without net change on the week against the U.S. dollar, at $2.4580-90, though it touched $2.4645-2.4655 on Wednesday. The trade-weighted average depreciation in the pound against leading currencies widened 0.13 per cent. on balance, however, to 17.12 per cent., after some fluctuations. The dollar was generally weaker against major currencies.

Gold rose on balance in London to $103-104 an ounce, from $100-$102 the previous Friday.

Bank base rates Page 33

EURO-CURRENCY INTEREST RATES ◆

Aug. 31 1973	Sterling	U.S.Dollar	Canadian dollar	Dutch guilders	W. German mark	Swiss franc
†Short-term ...	14¾-15¼	10½-11	7⅜-7⅝	8-9¼	7½-8½	1⅛-2
7 days' notice.	—	10⅝-11⅛	7½-7¾	8-9¼	7⅛-8½	2-2½
Month	16¼-16¾	11¼-11¾	8⅛-8¼	10⅛-10⅞	8¼-8⅝	4¼-4¾
Three months.	16-16½	11⅝-11⅞	8¾-9	10⅛-10¾	8⅛-8⅝	5⅛-5⅞
Six months.....	15¼-15¾	11⅝-11⅞	8¼-9½	10⅛-10⅝	7½-8¼	6½-6¾
One year.........	14⅞-14⅝	10⅝-11⅛	8¼-8½	9⅛-9½	7½-8¼	6¾-7

Long-term certificate rates as follows: two years 9½-10½ per cent.; three years 9½-9¾ per cent.; four years 9½-9¾ per cent.; and five years 9½-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 11⅛-11⁷⁄₁₆ per cent.; three months 11¹¹⁄₁₆-11⅞ per cent.; six months 11¹¹⁄₁₆-11⅞ per cent.; one year 10⅞-10⅝ per cent.

◆ Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars are two days' notice for guilders, marks and Swiss francs.

FOREIGN EXCHANGES

Aug. 31 1973	Bank Rate %	Market Rates: Day's Spread	Market Rates: Close
New York	7½	2.4525-.4600	2.4580-.4590
Montreal.	6¾	2.4650 .4720	2.4700-.4710
Amst'dam	6½	6.57-.61	6.58½-.59½
†Brussels.	6½	92.00-.88	92.40 92.70
Copen'gen	8	14.20-14.32	14.20-.22
Frankf'rt.	7	6.03-6.07	6.04½-6.05½
Lisbon......	Δ5¾	57.20-58.00	57.40-57.90
Madrid	††6	139.20-140.00	139.55-.85
ΦMilan......	4	1,586-1,596	1,388 1,391
Oslo.........	4½	15.72-15.78	15.74-15.76
‡Paris	9½	10.57-10.64	10.58-10.59
Stockh'lm	[illegible]	10.54-10.59	10.54½-10.58½
Tokyo.......	7	648-658	650-653
Vienna......	5½	44.20-45.00	44.50-44.80
Zurich	4½	7.43-7.47	7.44½-.45½

†† Basic discounts. Δ Bank of Portugal discount rate. † Rates given are for convertible franc; closing financial franc 93.15-93.45. ‡ Rates given are for commercial franc; closing financial franc 10.74-10.77. Φ Rate given is commercial; closing financial rate 1,453-1,459.

OTHER MARKET RATES

Argentina	◆12.15-12.35	Argentina	36-43
Australia.	1.7258-1.7404	Austria....	44-45¼
Brazil......	14.95-15.15	Belgium..	92½-94½
Finland ...	9.07-9.09	Brazil.....	15-20
Greece.....	72.49-74.54	Canada...	2.46½-2.48½
H'ng K'ng	12.56½-12.65½	France....	10.65-10.85
Luxemb'g	92.40-92.70	Germany.	5.95-6.20
Malaysia..	5.675-5.7195*		

FORWARD RATES

CORAL INDEX
Close 411-416

Herbert shows at Hanover

FINANCIAL TIMES REPORTER

ALFRED HERBERT, of Coventry, will be showing its new generation of machine tools at the International Machine Tool Exhibition in Hanover, Germany from September 18 to 27.

The new products are a result of the company's massive reorganisation following the unprecedented recession in the machine tool industry.

On display will be 14 machine tools designed for automatic production, five of them tuning machines using computer numerical control or programmes sequence control.

Also on show at the exhibition will be three of the latest Churchill grinding machines. Altogether, Herbert will be displaying eight machines for the first time.

The group's tooling company, Herbert Small Tools and Equipment, will also be represented at Hanover.

INSURANCE, PROPERTY, BONDS

Life & Equity Assurance
Northcliffe House, Colston Ave., Bristol. BS1 4XB. 0272 297281

♥Sel. Inv. Aug 20	42.0	44.5	......	—
♥Sel. Hu. Aug 20	56.5	60.0	......	—

Life Assur. Co. of Pennsylvania

Royal Insurance Group
1, North John St., Liverpool. 051-236 6622

♥Royal Shield Fnd	103.1	109.1	......	—

Save and Prosper Group
4, Gt. St. Helen's, London, E.C.3. 588 1717

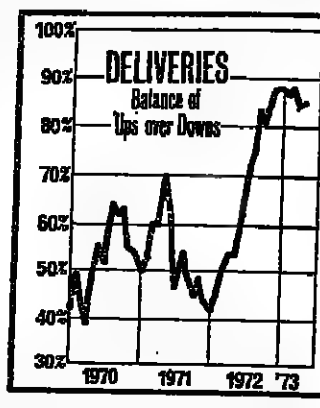
♥Bal'ned Inv. Bd.	95.0	100.1	......	—

FT Monthly Survey of Business Opinion

GENERAL OUTLOOK

More signs of overheating

There is every sign of a continuing boom in the British economy this month, but this impression is accompanied by mounting evidence that the boom has brought its attendant problems. In particular, there are more and more indications of "overheating," with shortages of skilled and unskilled labour, and of materials, affecting production and in some cases causing firms to turn away orders.



Production and orders have continued to run at very high levels, and the prospects for the coming year remain very buoyant. There may have been a slight dip in some of the indicators measuring future trends, but this has taken place at a high level.

Companies continue to manifest a great deal of optimism about export prospects; the trend of capital investment is likely to be strongly upwards; and firms intend to continue taking on more and more labour.

But there is a cloud in this silver lining. The signs of overheating have come at the same time as a decline in confidence, both about the general business situation and about trends in U.K. economy. While the positive balance of respondents is still fairly strong, the peak appears to have been passed in the long recovery of business confidence experienced since last summer.

Of the three industries surveyed this month—mechanical engineering, brewing and distilling, and paper and associated industries—it is the engineering industry most of all which is experiencing the problems associated with overheating. A very high percentage of respondents in this sector complain of shortages of labour and materials, and in some cases this is affecting exports, where the downward float of the pound has had a marked effect on orders and enquiries.

GENERAL BUSINESS SITUATION

Are you more or less optimistic about your company's prospects than you were four months ago?	4 monthly moving total				August 1973		
	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing & Publishing %
More optimistic	47	55	57	55	88	30	39
Neutral	39	34	32	35	12	39	57
Less optimistic	14	11	8	7	—	31	4
No answer	—	—	3	3	—	—	—

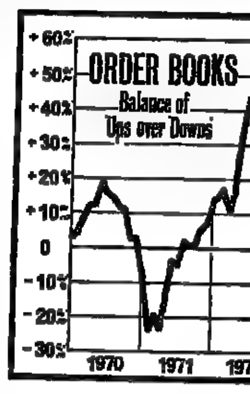
EXPORT PROSPECTS

Those who were:	4 monthly moving total				August 1973		
	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing & Publishing %
More optimistic	52	53	59	58	79	53	47
Same	26	24	20	19	—	31	53
Less optimistic	1	1	2	2	—	—	—
No answer	21	22	19	21	21	16	—

ORDERS AND OUTPUT

Still rising sharply

The trend of deliveries during the last four months suggests that industry has continued to work almost flat out. A small decline in the balance of ups over downs with regard to the trend of new orders still leaves a positive balance of 77 per cent., and the median expected change in production over the coming year has edged upwards once again.



The engineering industry respondents paint an outstandingly buoyant picture, not only of recent deliveries and orders, but also in their expectations about future orders. In the present situation order books are so long that in many cases business is simply being turned away.

Of the industries examined this month, both the engineering and brewing sectors expect above average output over the coming year. For example, the median expected rise in production is 8.9 per cent. for all industries, but 18.0 per cent. for engineering and 11.4 per cent. for brewers and distillers. A 100 per cent. of respondents in both these sectors reported rising deliveries over the past four months.

NEW ORDERS

The trend for new orders in the last four months is:	4 monthly moving total				August 1973		
	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing & Publishing %
Up	79	85	88	85	100	69	70
Same	10	8	6	4	—	—	17
Down	2	2	1	3	—	—	4
No answer	9	5	5	8	—	31	9

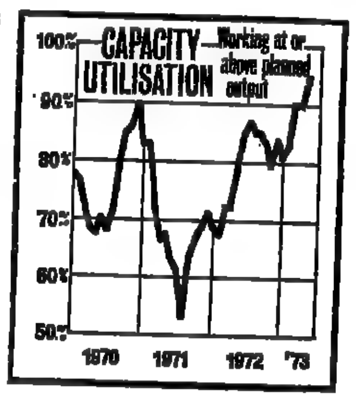
PRODUCTION/SALES TURNOVER

Those expecting production/sales turnover in the next 12 months to:	4 monthly moving total				August 1973		
	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing & Publishing %
Rise over 20%	14	13	10	13	38	—	4
Rise 15-19%	7	5	7	7	41	7	—
Rise 10-14%	22	23	25	25	9	70	35
Rise 5-9%	31	33	34	37	12	23	38
About the same	19	18	16	9	—	—	21
Fall 5-9%	—	—	1	1	—	—	—
No comment	7	8	7	8	—	—	2

CAPACITY AND STOCKS

Further shortages

This month's survey brings further evidence of overheating in the economy, with more and more companies saying they are working at above target capacity, and shortage of manpower and raw materials being increasingly cited as factors inhibiting production.



Some 41 per cent. of respondents say they are working at above target capacity, compared with 30 per cent. last month and 25 per cent. in May. In the engineering sector the proportion working above capacity has risen to 59 per cent.

Once again there is an increase in the number of companies citing shortages of manual labour and skilled staff, and the engineering industry in particular is suffering acutely from labour shortages.

There has also been a sharp jump in complaints about materials shortages, with 42 per cent. of companies citing these as factors affecting output, compared to 36 per cent. last month and 29 per cent. the month before. Here again, the engineering industry appears to be especially hit, with 71 per cent. of respondents claiming they are short of materials.

CAPACITY WORKING

Those working at:	4 monthly moving total				August 1973		
	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing & Publishing %
Above target capacity	41	30	27	25	59	69	42
Planned output	54	60	63	58	38	31	58
Below target capacity	5	10	8	15	3	—	—
No answer	—	—	2	2	—	—	—

STOCKS

	4 monthly moving total				August 1973		
Raw materials and components over the next 12 months will:	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing & Publishing %
Increase	36	36	35	38	41	39	30
Stay about the same	47	44	48	42	50	61	68
Decrease	11	13	11	12	9	—	2
No comment	6	7	6	8	—	—	—
Manufactured goods over the next 12 months will:							
Increase	25	28	27	28	—	39	4
Stay about the same	47	46	51	47	41	54	46
Decrease	11	12	10	13	9	—	17
No comment	17	14	12	12	50	7	33

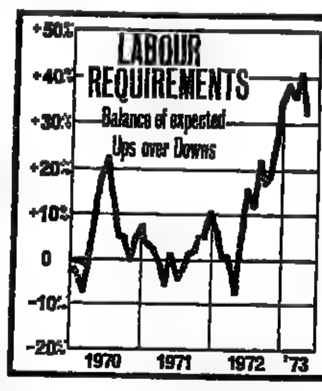
FACTORS CURRENTLY AFFECTING PRODUCTION

Shortage of:	4 monthly moving total				August 1973		
	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing & Publishing %
Home orders	30	40	45	51	3	7	23
Export orders	28	34	35	42	—	7	23
Executive staff	10	9	5	7	9	7	10
Skilled factory staff	30	28	24	20	91	16	23
Manual Labour	27	25	19	21	68	31	16
Components	17	14	13	11	50	7	9
Raw materials	42	36	29	29	71	15	41
Production capacity (plant)	20	34	18	19	—	7	21
Finance facilities	—	—	—	—	—	—	—
Others	12	11	14	12	—	—	—
Labour disputes	4	5	9	8	—	—	4
No answer no factor	17	13	15	13	—	31	38

INVESTMENT AND LABOUR

Outlook buoyant

A very slight dip in the balance of ups over downs this month does nothing to alter the basic prospect of a sharp rise in capital investment over the next year or so. Similarly, the pressure on the labour market remains very strong: weighted by employment, the balance of companies expecting their labour forces to increase in the next 12 months — over those predicting a decline—is a very high 41 per cent.



Thus our survey bears out the recent findings of the inquiry by the Confederation of British Industry, and given both the recent decline in unemployment and the rise in *employment*, the question arises whether employers will be able to satisfy their plans for taking on more labour.

Certainly, shortages of labour are highlighted by the survey of factors affecting production. The engineering industry, in particular, appears to be suffering markedly from overheating, with 91 per cent. of respondents this month complaining of shortages of skilled factory staff.

Weighted by expenditure, the balance of firms expecting to increase their capital spending is 40 per cent., and both the brewing and paper industries plan heavy investment.

LABOUR REQUIREMENTS

Those expecting their labour force over the next 12 months to:	4 monthly moving total				August 1973		
	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing & Publishing %
Increase	41	49	43	41	53	7	16
Stay about the same	50	43	50	56	38	93	78
Decrease	9	8	7	3	9	—	4
No comment	—	—	—	—	—	—	2

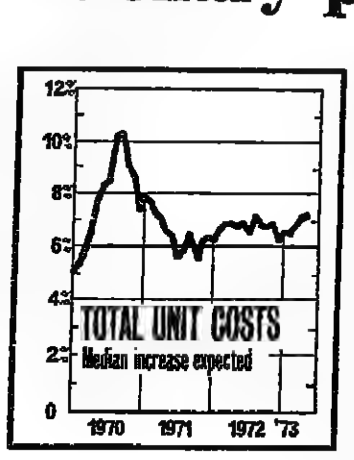
CAPITAL EXPENDITURE

Those expecting capital expenditure over the next 12 months to:	4 monthly moving total				August 1973		
	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing & Publishing %
Increase	68	69	76	67	50	84	84
Stay about the same	14	13	15	17	29	16	10
Decrease	14	13	6	14	21	—	6
No comment	4	5	3	2	—	—	—

COSTS AND PROFIT MARGINS

Strong inflationary pressure

From being hesitant about their ability to pass on cost increases some months ago, businessmen appear to be much freer at this stage of Phase Two in their plans for price increases. The median expected increase in wage costs over the coming 12 months has again edged up this month, and although expectations about total unit cost movements remain the same (the median forecast increase is again 7.1 per cent.), there is a rise in the amount of planned price increases.



The median expected rise in prices is put at 7.8 per cent., compared with 7.6 per cent. last month and 6.9 per cent. in March-June. The mechanical engineering industry respondents envisage a median increase of 10.9 per cent.—much more than they thought a few months ago—but the brewing and distilling industry forecasts below average increases, with a median figure of 4.7 per cent.

There is little overall change in the outlook for profit margins. Within the totals, however, the engineering and paper industries are somewhat more pessimistic than they were a few months ago, whereas the brewing industry is on the whole more optimistic.

Even so, expectations about profit margins are appreciably more sanguine in the engineering sector than in industry as a whole, with 50 per cent. of respondents still forecasting an increase, compared with 22 per cent. of all respondents.

These surveys which are carried out for the Financial Times by the Taylor Nelson Group, are based upon detailed interviews with top executives about their companies' situation and prospects.

Three industries and some 30 companies are covered in turn every month from a sample based upon the F.T.-Actuaries Index, which account for about 60 per cent. of the total turnover of all public industrial companies. The weighting is by market capitalisation.

The all-industry figures are four-monthly moving totals, covering some 120 companies in 11 industry groups (mechanical engineering is surveyed every second month).

COSTS

	4 monthly moving total				August 1973		
Wages rise by:	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing & Publishing %
0-4%	2	3	3	6	—	—	—
5-9%	64	67	69	69	59	85	56
10-14%	22	16	13	9	29	15	42
15-19%	—	—	1	1	—	—	—
20%	1	1	—	—	—	—	—
Same	—	—	—	—	—	—	—
Decrease	—	—	—	—	—	—	—
No answer	11	13	14	15	12	—	2
Total rise by:							
0-4%	14	13	14	19	—	39	—
5-9%	51	50	57	48	59	61	56
10-14%	17	16	16	16	38	—	21
15-19%	2	1	—	—	3	—	4
20%	2	2	—	—	—	—	—
Same	4	3	2	1	—	—	17
Decrease	1	2	2	2	—	—	—
No answer	9	13	9	14	—	—	2

PROFIT MARGINS

Those expecting profit margins over the next 12 months to:	4 monthly moving total				August 1973		
	May-Aug. %	Apr.-July %	Mar.-June %	Feb.-May %	Eng'g. (non-elect.) %	Brews. and Distills. %	Paper Packaging Printing & Publishing %
Improve	22	23	25	28	50	23	27
Remain the Same	61	57	55	44	41	70	46
Contract	15	16	10	16	9	7	25
No comment	2	4	10	12	—	—	2

COMPANY NOTICES

McCARTHY RODWAY LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO SHAREHOLDERS

FINAL ORDINARY DIVIDEND NO. 65

NOTICE IS HEREBY GIVEN that the final ordinary dividend No. 65 at [illegible] of 5 cents (five cents) per share has been declared by the directors for [illegible] ended 30th June, 1973, payable to the holders of ordinary shares regist[ered in] the books of the company at the close of business on the 28th September [illegible]

The dividend is declared in the currency of the Republic of South [Africa] and dividend warrants will be posted in South Africa to all shareholders [on or] about the 26th October, 1973.

For the purpose of establishing the shareholders entitled to partic[ipate in] this dividend, the transfer register of the company will be closed from [illegible] September, 1973, to the 6th October, 1973, both days inclusive. Share[holders] are advised that any change of address and/or dividend instructions [must be] lodged with the transfer secretaries on or before the 28th September, 1[973, at] their address given below.

In terms of the South African Income Tax Act 1962 (as amended) Non-Resident Shareholders' tax of 15% will be deducted by the compa[ny from] dividends payable to shareholders whose addresses in the register of me[mbers are] outside the Republic of South Africa.

The directors announce the following for the information of sharehol[ders:]

	Year ended 30th [June] 1973 Estimated	[illegible]
GROUP PROFIT (before taxation	7 025 000	[illegible]
Less: Taxation	2 911 000	[illegible]
Minority interests	1 606 000	[illegible]
GROUP NET PROFIT	R2 508 000	R1 [illegible]
Issued ordinary share	14 178 690	[illegible]
Earnings per ordinary share (after tax and preference dividend)	17.6 cents	[illegible]
Dividends declared for the year:		
Interim ordinary	2.0 cents	[illegible]
Final ordinary	5.0 cents	[illegible]

The number of issued ordinary shares at 30th June 1972, the earn[ings per] share and the dividends declared for that year, as shown above, ha[ve been] adjusted for the two-for-one capitalisation issue of shares in April, 197[3].

Last year your company received income from its investment in A[tkinson] Oates Motors Limited by way of dividends from McCarthy-Main Holdings [illegible] Atkinson Oates Motors Limited, however, became a subsidiary of your c[ompany] on the 1st July, 1972, and its results to the year ended 30th June, 19[73 are] consolidated in the above figures. This transaction resulted in the [illegible] 2 994 738 shares (adjusted for the capitalisation issue) and also accounts [for the] large increase in minority interests.

Consolidated earnings per share have improved by 42% and divide[nds for] the year have been increased by 40%. Trading conditions generally ha[ve been] more buoyant during the financial year and as a result, operating profits [before] tax derived from the Natal companies of the McCarthy Rodway group in[creased] by 34%, whilst the corresponding improvement for the Atkinson [illegible] companies was 17%.

A comprehensive report concerning the group's trading activities [is] contained, as usual, in the Chairman's review and the report of the d[irectors] to be issued in October, 1973.

By Order of the Board,
C. R. BANNISTER, F.C.I.S., Se[cretary]

Registered Office: 150 Smith Street, DURBAN. 21st August, 1973.

Transfer Secretaries and Certification Office: Hill Samuel Registrars (S.A.) Limited, P.O. Box 62318, MARSHALLTOWN, Transva[al]

TELEFONAKTIEBOLAGET L M ERICSSON
BONUS ISSUE 1973

At the Ordinary General Meeting of the shareholders of the Telefonaktiebolaget L M Ericsson held on 5th June, 1973, it was resolved that the fully paid up share capital of the Company which now amounts to Sw.Kr. 615,204,700 should be increased to Sw.Kr. 769,005,850 by means of a bonus issue of 3,076,023 shares of Series B of Sw.Kr. 50 each in the proportion of one new share of Series B for every four old shares of Series A and/or B held.

The new shares will be accompanied by coupon sheets entitling the holder to dividends as from the 1st January, 1974. The stamp taxes in Sweden for the new shares will be paid by the Company.

Authorised Depositaries are requested to present the share certificates (without coupon sheets) for stamping, together with an application in accordance with the prescribed form, duly completed, during normal business hours between the 3rd September and 31st October, 1973, to:

S. G. WARBURG & CO. LTD., Coupon Department, St. Albans House, Goldsmith Street, LONDON, EC2P 2DL.

who will issue provisional certificates against stamping of the share certificates. Provisional certificates will be exchanged for new share certificates at a date to be announced later. Fractional scrip certificates will also be issued.

Application has been made to the Council of The Stock Exchange, London, for permission to deal in and for quotation for the new B shares and [illegible] the issue of Definitive Certificates) the Scrip Certificates.

Further particulars of the new issue are given in a notice which has been mailed to all registered shareholders and which may be obtained, together with application forms, from S. G. Warburg & Co. Ltd.

TELEFONAKTIEBOLAGET L M ERICSSON. The Board of Directors.

Stockholm, 3rd September, 1973.

$40,000,000 VIZCAYA INTERNATIONAL N.V. GUARANTEED FLOATING RATE NOTES DUE 1978

NOTICE IS HEREBY GIVEN that the rate of interest for the period 1st September 1973 to 1st March 1974 has been fixed at the rate of 11⅞% p.a.

IMPERIAL GROUP LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books of the 5¼% Unsecured Loan Stock 1982/86 will be closed from the 17th to the 30th September, both days inclusive, for the preparation of interest warrants.

By Order
J. R. HAIGH, Secretary.

London. 3rd September, 1973.

UK OPTICAL & INDUSTRI[AL] HOLDINGS LTD.

NOTICE IS HEREBY GIVEN [that the] Debenture Transfer Books of the [Company] will be closed on the 14th Septem[ber 1973] for 1 day only for the purpo[se of the] preparation of the interest pay[ment due] on 30th September 1973.

By Order of the Boa[rd]
J. H. PINTO.

Bittacy Hill, London NW7 1EN.

SAVE AND PROSPER JARDINE FAR EASTERN FU[ND]

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN [that the] Third Annual Ordinary Meeting [of] holders will be held at Motoblock [Building,] Gorham Road, Hamilton, Ber[muda, the] principal office of the Corporation [on] 30th September 1973 at 12 noon [for the] following purposes, namely:

1. To receive the Reports of the [Directors] and Auditors and the Statement [of] Accounts for the year to [illegible] 1973.
2. To appoint auditors to hold [office and] their remuneration to be [illegible].
3. To fix the number of and [elect] Directors.
4. To determine the remuneration [of the] Directors.
5. To transact any other busin[ess].

By Order of the Board
D. I. C. BROWN
Secre[tary]

Motoblock Building, Gorham Road, Hamilton, Bermuda.

13th July, 1973.

CLUBS

EVE, Regent Street. 734 0557. [illegible] Lavish Spectacular "Lib and [illegible]" Ent. Fee. Cocktail Dinner. Ch[illegible] Brandy and Coffee. £6.95 or a [illegible]

GARGOYLE. Wine dine dance, [illegible] 3.30 a.m. Cont. striptease Mid[night]. 69-70. Dean Street. W.1. Res. 4[illegible]

EXHIBITIONS

INTERNATIONAL ART TR[illegible] EXHIBITIONS, Assembly Room[s] 10 30-6 (Sun. 2-5). Closing [illegible] September 8.

Dental crisis 'by 1980'

THERE MAY be a complete lack of National Health dental treatment by 1980, the dental group of the Socialist Medical Association claimed yesterday.

"It is likely that by 1980 no working people will be able to obtain any NHS dental treatment because the profession, for sound financial reasons, is withdrawing services from more and more of the public as the private sector increases," said the SMA.

Referring to a new scale of fees for NHS dentists to be announ[ced] soon, the SMA warned that, [with]out a "realistic" 50 per cent. [rise] in fees for bridges, crowns [and] dentures, "there is no hope [at] all of stopping the grow[ing] stampede of NHS dentists [to] provide these treatments only [for] private fees."

The association also fore[cast] that under the new fees, of wh[ich] patients will pay half, the [illegible] patients' maximum fee could [rise] to £12.

REGIONAL MARKETS

—	Price Aug. 24	A=Div. B=Times covered A	B	Gross yield
BELFAST				
B'fast 6½ pc 80	£88½	6½	—	14.7
Finlay Pkg. (5p)	26	†26	1.6	4.8
Hughes (B) £1	120	8	1.3	6.7
N. Irish Sc't Inv.	43½	6	1.1	3.4
IRISH EXCHANGE				
Exch'q'r 6pc 80/85	£67.52	6	—	9.0
Alliance Gas (£1)	101	10	ф	9.9
Conc.Prod.Ire.	160	21½	3.2	3.3
Clondalkin	72	12½	1.5	4.4
Goodbody (£1)	120	—	—	—
Heiton Hldgs.	62xd	†11	2.2	4.9
Irish Distillers	92	†12	ф	3.8
Irish Wire Bd.	84xd	17	ф	5.1
Jacob	71	20	ф	7.0
Smith Group 10p	49	‡14.4	2.4	2.9
Sunbeam	58	5	1.5	2.2
Unidare	78	—	—	—
MIDLANDS & WESTERN				
B'ham Post 'A'	67½	13	1.9	5.7
Castings 10p	43½	‡31½	ф	7.2
Econa 10p	32½	31½	1.0	6.6
Evans (Frdk) 10p	35	15	2.9	4.5
Evered	39	§5.6	1.4	5.1
Frost & Reed 50p	230	10.5	4.6	5.2
Gardiner £1	67½	—	—	—
Graig Ship. £1	815	§12.9	2.0	2.5
HallamSleigh 10p	20½	15	U3.0	1.5
Kleen-E-Ze	60	‡21	ф	8.7
Lovell's Ship. £1	195	9	ф	4.6
Pearce C.H.	155	13	ф	2.8
Sindall (Wm)	112	§‡12½	3.0	4.9
Vincent (H.)	110	14	2.5	3.2

—	Price Aug. 24	A=Div. B=Times covered A	B	Gross yield
NORTHERN EXCHANGE				
Albany Inv. (20p)	26	§5½	ф	[illegible]
Ash Spinning	56	18	U1.2	[illegible]
Booth (Chas.) (10p)	18ƨ	—	—	[illegible]
Brady (G.) 'A'	80	27½	1.7	[illegible]
Br'wat'r Est. 50p	350	18	1.6	[illegible]
Br. Northrop 50p	90ƨ	—	—	[illegible]
Bury Ring (20p)	23ƨ	—	—	[illegible]
Clover Croft	54	ф3½	1.6	[illegible]
Dyson (R.A.) 'A'	65	§8.4	—	[illegible]
Klienroad	58	12½	ф	[illegible]
Eng. Nat. Inv. Pf.	31¼	8	0.3	[illegible]
Do. Deferred	43	4	2.5	[illegible]
Era Ring	40	—	—	[illegible]
Gardner (L.)	143	§31.2	2.4	[illegible]
Hartley Ind (30)	39½	§7	2.6	[illegible]
Higson Brewery	134	17¢	2.9	[illegible]
Hindson (20p)	106	40	1.6	[illegible]
Holt (Joseph) (25p)	180	8.4	ф	[illegible]
I.O.M. Steam (£1)	133	10	U0.9	[illegible]
Ketton Cem. (£1)	975	30	3.7	[illegible]
ManSh.Canal (£1)	300	15	ф	[illegible]
Nichols Vimto	116½	¢25.6	1.5	[illegible]
Nthn Goldsmith	129½	§16.2	3.5	[illegible]
P.M.A. Hldgs.	145	ф61	—	[illegible]
Peel Mills	29	ф—	—	—
Sayers Conf (12½p)	43	§17½	2.7	[illegible]
Shiloh Spin.	58	†4	2.5	[illegible]
Swan Ln.Sp. (3½p)	34½	—	—	—
Tavener Rut (20p)	77	25	1.8	[illegible]
Wood (Ed.)	201½	In Vol. Liq.		
Woodward H 12½p	[illegible]	§15.4	1.3	5.6
SCOTTISH EXCHANGE				
Craig & Rose £1	425	22	5.3	6.2
Hill (Wylie)	96½	—	—	—
Lees (J. J.) (10p)	35½	31	ф	6.9
Richards (10p)	23	12	2.2	4.4

A judgment on the physical face of capitalism

BY H. A. N. BROCKMAN, ARCHITECTURE CORRESPONDENT

THE PRIME Minister's reference to the "ugly face of capitalism" has a literal connotation when applied to many of the new buildings capitalism occupies. Unlike housing, where the reaction to tall buildings has been violent, there is nothing like the same objection to tall buildings as offices in the City where, because of high land costs, close densities, and, indeed prestige, they are positively welcomed.

The commercial centre of any country cannot afford to resist concentrated build-up. Clearly there are some large organisations which have decentralised, but all must keep key men with their secretaries and immediate entourage. This means that the demand for office accommodation is almost never satisfied in times of economic expansion.

Cremona

In the City of London the conflict has been between those who wish to see the pattern of the mediaeval city and its intimacies retained, and those who are more than ready to see wholesale redevelopment. For example, in the hard fought Battle of the Barbican, where the Corporation with great public spirit attempted to bring back to live in the City some of those who worked there, many did not appreciate the social difference between the merchant and his clerks who lived quite humbly above or very near the office or counting house, and to-day's man of means and his family who are almost always away with a car or a yacht at the week-end.

The difference is such as to make nonsense of the noble idea of bringing the citizen back to live near his work, for originally he had to and now he doesn't and mostly cannot afford to. On such grounds there are those who oppose the vast expenditure involved in providing wholesale social amenities in a City, which has over the last 100 years gradually eliminated itself as a living, working, residential community.

Physically, London is beginning to look not so much like New York as the Italian mediaeval towns of Siena, Cremona or Rimini, where the ferment and struggle among noble families led to the building of high towers as a physical vantage point and defence against their rivals. It is a physical pattern which was echoed by the great financial houses of New York and is now more than a threat to the City of London. Whereas New York was restricted to a small rocky island where the Cathedral was built too late to dominate its financial skyline, London in the great resurgence after the fire of 1666, was immediately dominated by its hill-top Cathedral while retaining its close and low profiled mediaeval plan.

The City of London has up to the present been reasonably careful in allowing high buildings within its boundaries. But the City is itself an island surrounded by the ocean of the Greater London Council. Planning control being what it is, the two authorities must work together to exercise some sort of control over the incidence and placing of towers in the centre, especially now that the railways are beginning to fill the air space above their London termini.

Apart from the extremely important work of preserving small and typical enclaves of the City's past, the area which most affects the views of St. Paul's—that prominent, beautiful and religious symbol of London which is gradually sinking into the surrounding chevaux-de-frise — is the river front between Waterloo Bridge and London Bridge. The North bank of the river is being well protected and partly preserved, although the City has never yet obtained the necessary permission to truncate the top storeys of the Post Office building in Queen Victoria Street, the building of which raised such a furore before the war. St. Paul's is extremely vulnerable from the Southern bank of the river, where viewpoints are unrivalled in looking both toward Westminster and to the City.

Sight line

The GLC some time since laid down an imaginary angle, based somewhere around Waterloo, within which the sight line on to St. Paul's should not suffer encroachment and within which the dominating silhouette would be preserved. The views from the Festival Hall and the Hayward Gallery remained magnificent in spite of the high tower of, for instance, the television building on the south bank which had itself been set back to retain the vista. This view has now been seriously interrupted by a later building, the National Theatre, whose scenery tower effectively blots out the St. Paul's view from the roof walk on the Hayward Gallery. The view has nevertheless been replaced by the open terraces of the theatre which will do a greater service to the river view than the Hayward Gallery.

As for the tall buildings within the City's boundaries, above 150 feet in height, there are now at least 27 projected or completed. Of these 20 are already built, the latest being the International Press Centre in Shoe Lane. In the latter case there can be no complaint of an intrusion on the Cathedral for, after the steep fall of Ludgate Hill, the ground rises to the north west and the view from the Stone Gallery of St. Paul's itself has always shown a rising mass of building in that direction, with no open vistas to the Cathedral. It is in the other direction, the east and north-east that there is a highly controversial build-up.

It is on the flat land east and north east that the City has reasonably allowed more high building than elsewhere. It happens that the area is the core of the City's activity. The highest of all these massive structures will be the 600 foot high building for the National Westminster Bank in Bishopsgate. This will possibly be the highest to be allowed and will be the tallest spike in the massive forest which is now sadly diminishing the scale of the old City skyline as seen from the west.

Then there is the huge Barbican development. This is the boldest and architecturally the most ruthless and also the grandest project of any city in the country.

The great towers make a massive contribution to the city skyline. They are well placed regarding near views but, with all their major and minor fellows, must confuse the long views from the heights of Highgate and Greenwich.

It was enevitable that the mediaeval City skyline had to be replaced. But it is not too late to bring developers to heel by a planning authority insisting that those who design city buildings must be of proven calibre and not only give their clients adequate and well served space, but also real architectural quality.

Royal Viking Line cruises

Financial Times Reporter

THE 22,000-ton liner Royal Viking Sky made her maiden call in the U.K. at Southampton on Saturday, and is about to leave on her first Transatlantic crossing, to New York. The vessel is the second of three, the first being Royal Viking Star. The third, Royal Viking Sea, sails for the first time from Southampton on December 2.

All accommodation is first-class, and 94 per cent. of the passengers have outside views. Minimum fares range from £191 for the seven-day Atlantic crossing to £1,670 for a Southampton-Sydney 57-day cruise.

The Trondheim-based company is increasing its marketing efforts in the U.K., and plans five more calls at Southampton in the next six months. In 1974-75 the line will extend its cruising all over the world.

The Royal Viking Sky will be the first of the Norwegian flag line vessels to circle the globe when she sails on January 22 next, from San Francisco for stops at more than 20 ports in four continents.

Antimony price rise the third this year

By John Edwards

A RISE in the price of antimony—the third increase this year—is announced by Associated Lead, the Newcastle-based producer. From to-day the cost of antimony metal is up by £90 to £770 a metric ton for 99 per cent. grade. Oxide will rise by £77 to £735, and crude and black powder by £149 to £820 and £850 respectively.

Higher costs for raw materials, notably antimony ore imported mainly from South Africa, have been responsible for all three increases this year. The previous ones were in February and March.

Antimony is mainly used as a "hardener" in lead-acid batteries, while the oxide goes into a wide range of products for its flame-retardant properties. Associated Lead, as a Category 2 company under the latest price restraint code, does not have to seek prior approval from the Price Commission, but has reported the increase.

VEDC MOVES OUT OF LONDON

The Vitreous Enamel Development Council, representing over 50 suppliers and manufacturers in the U.K., has moved out of its Welbeck Street, London offices to country headquarters at New House, High Street, Ticehurst, Wadhurst, Sussex.

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
[illegible]	10D	Treasury 5¼pc 1973	99½	4.5	5.33	10.04
[illegible]	15D	Conv. 5¼pc 1974	96¼	9.5	5.45	10.31
[illegible]	10S	Treasury 5¼pc 1974	95⅞xd	6.8	5.73	9.86
[illegible]	11D	Treasury 6¾pc 1974	95⅞	7.5	7.04	10.24
5F	15A	Treasury 6pc 1975	94[illegible]	25.6	6.36	10.39
		Treasury 8pc 1975	95[illegible]	—	8.36	10.83
5F	15A	[illegible]	89¼	9.7	3.34	8.83
M	1S	Exch. [illegible] 1976	90⅞xd	26.7	7.15	10.78
5F	15A	Treasury 6½pc 1976	89⅞	9.7	7.23	10.58
M	1S	Victory 4pc 1976	96½xd	26.7	4.15	6.44
[illegible]	10S	Treasury [illegible] 1977	86⅞xd	6.8	7.19	10.85
[illegible]	15S	Electric 3pc '74-77	83¼xd	9.8	3.60	8.61
[illegible]	20D	Transport 4pc '72-77	81¼	14.5	4.92	9.39
[illegible]	25S	Treasury 9pc 1978	92[illegible]xd	9.8	9.71	11.11
		Five to Fifteen Years				
[illegible]	26S	Exchequer 5pc '76-78	78½xd	30.8	6.35	10.54
[illegible]	17S	Treasury 3pc 1979	70½xd	13.8	4.25	9.54
[illegible]	26S	Electric 4¼pc '74-79	73xd	20.8	5.80	10.29
[illegible]	15N	[illegible] '76-79	71¼	9.4	4.95	9.93
[illegible]	3S	Treasury 9pc 1980	90½xd	30.7	9.94	11.10
[illegible]	15D	Treasury 3½pc '77-80	69¼	9.5	5.11	10.00
[illegible]	15D	Funding 5¼pc '78-80	75⅜	9.5	7.07	10.68
[illegible]	15A	Treasury [illegible] '79-81	56⅞	9.7	5.25	9.92
[illegible]	15J	[illegible] '80-82	87	8.6	9.90	11.13
[illegible]	15J	Funding 5½pc '82-84	71⅝	1.6	7.79	10.13
[illegible]	10J	Treasury [illegible] '84-86	84	4.6	10.27	11.04
[illegible]	1N	Funding [illegible] '85-87	71½	26.3	9.38	10.86
[illegible]	26J	Treasury 7¾pc '85-88	76¼	19.6	10.27	11.22
[illegible]	1J	Transport 3pc '78-88	47⅞	25.5	6.33	9.81
		Over Fifteen Years				
[illegible]	15O	Treasury 5pc '86-89	59⅛	9.3	8.74	10.59
[illegible]	15D	Treasury [illegible] '87-90	78¼	9.5	10.72	11.34
[illegible]	5O	Funding 5¾pc '87-91	63	1.3	9.48	10.79
15M	15S	Funding 6pc 1993	60¼xd	9.8	9.94	10.92
[illegible]	17N	Treasury 9pc '94	83½	10.4	11.13	11.40

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

PUBLIC BOARD AND OTHER LOANS

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 23¾% (based on $2.4592 per £)

CANADIANS

[illegible]

S.E. List Premium 23¾% (based on $2.4725 per £)

"Recent Issues" and "Rights" Page 33

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £250 per annum for each security.

For Notes, see page 35

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS, ETC.

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING AND METAL

[illegible]

ENGINEERING AND METAL—Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS—(Miscel.)

[illegible]

INDUSTRIALS—Continued

INDUSTRIALS—Continued

INSURANCE

MACHINE TOOLS

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TEXTILES—Continued

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

RUBBERS AND SISAL

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES—CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TINS

COPPER

MISCELLANEOUS

Lombard

Welcome candour of George Shultz

By Anthony Harris

"IN A SENSE, convertibility is one of those things that works best when you don't need it, and is unworkable when people seem to be desperately crying for it."

Thus said Mr. George P. Shultz U.S. Secretary of the Treasury, in a refreshing Press interview.

It is a formula which might be applied to many economic remedies for this and that—to incomes policy, price controls, monetary restraint, floating (clean or dirty)—all the issues which divide experts into warring groups of big-endians and little-endians.

Why, then, is so much passionate attention devoted to technical questions? One reason, as Dr. Gressing Vocham of Hetheringstoke has devoted a life's work to elaborating, is to contribute to the self-importance and employment prospects of the relevant experts.

A second is evasion: international negotiators can spend happy hours debating the exact rules for fixing the value of a new *numeraire* (which is about as important as a debate on the length of the inch) and thus avoid questions on which they might actually quarrel.

Motive

A third motive is a form of concealed buck-passing. When central bankers talk about incomes policy, or politicians denounce speculators, when trade unionists demand price controls, they are all passing the buck.

This is relatively new. At one time, experts were still relatively self-confident: bankers claimed that if only they were allowed to get on with a responsible monetary policy, everything would come out all right; politicians would rejoin that if only the financial community would stop sabotaging every attempt at steady growth, they would soon achieve a stable consensus. Even M. Pierre-Paul Schweitzer wanted to run exchange rates.

It is only recently that it is always someone else's job to solve the problem; even the good Mr. Shultz, with his stress on "symmetry" in the disciplines of international adjustment, is doing his best to pass fifty cents, if not the whole buck.

And there is a fourth use for formulae: obfuscation: Mr. Shultz admitted this about the phrase: "stable but adjustable par values."

"When that phrase was put forward," he admitted, "it was a way of, in a sense, papering over some rather substantial differences."

He went on to make it clear first, that what we are now seeking is a system of movable but reasonably predictable exchange rates; and second, that exchange rates and payments balances must now be recognised as a matter in which national sovereignty must be limited—a matter to be discusesd at a high political level in a beefed-up IMF, with a "presumption of action" when it is agreed that important imbalances exist.

System

He was even ready to admit that a proportion of foreign held dollars must be consolidated if a new system is to be stable—though not, so far, to admit that it might be sensible to allow a new reserve asset to displace currencies entirely in reserves, apart from necessary trading balances.

What does this candour, on subjects which were until recently ruled by what Shultz rightly calls "myths," really mean?

It means not only that the Secretary is an intelligent man who prefers his words to mean something, but that there is now substantial agreement on the subjects he has chosen to be candid about—the form of international adjustment machinery, the need to fund "excessive" currency holdings.

On these subjects the talks in Nairobi and later will work well, because they are not really needed. But there were two big issues on which he was less than candid: what kind of freedom do we want for what kind of capital movements? And on what basis should new liquidity be issued?

The first of these issues, which is disguised technically as the issue of holdings of reserve currencies, raises divisive arguments among the rich about industrial control; the second could provoke the poor countries to sabotage any settlement. These are the questions on which negotiations are needed, but would not work.

THE LEX COLUMN

The outlook in composite insurance

In the case of U.K. industrial profits, the analyst is looking at earnings which are still rising fast and speculating on the degree of slowdown or the possibility of a reversal thereafter. In the case of the Composite Insurance sector, the slowdown is already a fact, as it is that the underwriting cycle in the major market—the U.S., accounting for over two-fifths of the premium income of the three leaders—is past its peak and heading down. Since that peak embraced a post-war record in the form of a 5 per cent. underwriting profit, one can speculate that the downturn there will be severe. In this context, the Composite sector has no friends.

The interesting feature of the relative price weakness of the Composite is that it has been apparent for over two years. Since earnings have more than doubled in the past three years the resultant share values are remarkable. Brokers Wood Mackenzie put the sector on a nil p/e average of 10 on the basis of their 1973 estimates for the seven majors, which is far the cheapest for a decade or more. In view of the cyclical downturn prevailing and foreseeable for a year or two, their conclusion is to discourage enthusiasm for the sector.

Their recent study puts the downturn in the U.S. at a 2½ point decline in the operating ratio this year and probably more next: and while the rest of the world might show shome improvement, they point out that one can only look for erosion in U.K. profitability—both motor and fire. The latest U.K. fire statistics, meanwhile, and some gloomy predictions from Lloyds about the marine account have further depressed investor sentiment. Yet WM can still project earnings growth (15 per cent.) between 1973 and 1975, after 14 per cent. this year.

It is worth pondering, then, whether the discounting has been completed in the sector. Clearly the general equity market has been discounting events much further in advance in the past couple of years than at any time since the war. But whereas the next cyclical upturn in industrial profits seems wholly unpredictable, one can speculate that the upturn for the Composites might come some time in 1975—so that mediocre results in between might do no damage to the share ratings. Eagle Star then stands out as a two-way bet, for it does not have the U.S. problem but has been depressed to a projected 1973 p/e of 12 at 143p.

Dowty

The Dowty report adds extra dimensions to the target of "substantial" profits growth this year. The scope for loss elimination at Coventry Precision and profits elsewhere in industrial hydraulics—together worth something over £½m.—has always been clear, and the same goes for the strength of the aviation order book, up a fifth and including a good proportion of high margin spares business. On top of this, there is the prospect of a sharply rising trend in mining machinery output, with a firm background for demand from the NCB and discussions under way for further Chinese orders following the existing £12m. contract for delivery over the next 18 months.

Interest costs, moreover, will again be lower after 1972-73's £7.4m. drop in bank borrowings. That was helped by £2.4m. of temporarily deferred dividends, but there is no apparent reason why a modestly improving trend in working capital ratios should suddenly reverse itself. Other, lesser, features—like another strong performance in rubber and plastics and, possibly, lower research expenses on the variable pitch propulsion fan—make projections of profits a fifth or more up on 1972-73's £7.1m. pre-tax look feasible, while the political shadow over mining equipment—sales of maybe £20m-£25m. last year—is progressively being reduced by the rising export content. So much for the value apparent in a fully diluted 1972-73 p/e of 13½ net and a 5.9 per cent. yield at 113p, although the shares have yet to show any new signs of relative strength.

See also Page 32

British Relay

British Relay's share price—which at 48p is only half the price Lloyds and Scottish paid for the Reed and ATV stakes last year—will not derive a great deal of comfort from the full accounts. True, there are one or two encouraging pointers in growth terms, notably that the supply bottleneck for cable colour sets has been eased enough to allow the waiting lists to be almost cleared during the summer lull. But hand in hand with expansion goes the need for cash, and the group is proposing to raise its borrowing limit from £15.4m. to some £27m. at a time when the cost of money is seriously affecting the equations.

Last year's pre-tax profits of £1.78m. represented under a fifth of trading profits, and that degree of gearing explains why BRW is not making any predictions about the pre-tax trend this time. In fact, it looks as though a shift from its 6½-8 year depreciation period for rental sets to Thorn's 4-6 year basis would largely eliminate earnings, though a slower rate is arguably justified on cable sets.

However, the downside must now be limited, given the perennial bid prospects and the historic cash flow multiple of 2.5, not to mention the longer term potential of the relay network. Unfortunately, credibility is not improved by accounting techniques which allow taking the benefit of "cheap" Swiss borrowing (say £50,000 a year) above the line but charging the exchange costs (averaging £150,000 a year so far) below it.

See also Page 33

Asset ratios

Saturday's figures for the asset ratios of the 30 share index and 40 shares including financials—85 and 90 per cent. respectively—should have been for assets as percentage of share price and not vice versa.

Officials and Provos in talks on co-existence

BY RHYS DAVID

BELFAST, Sept. 2.

THE TWO wings of the IRA—the Official and the Provisional—are thought to have held secret meetings here over the week-end to work out a new policy of co-existence, and to quell the rumours which followed the shooting on Friday night of top Provisional leaders.

Patrick Mulvenny, 22, was shot dead by the Army, and Jim Bryson, 25, one of the most wanted men in Northern Ireland was wounded. A third man, Richard O'Rawe, 18, was also injured.

Stories swept the city afterwards that the men had been shot by the Official IRA.

Competition

Although this is denied by the Army, which said the men were shot in their car in an exchange of fire, it has brought to the surface the rivalry which has existed between the two wings in Belfast for some time.

This internal feuding has arisen out of competition in a number of areas for men and funds, both of which have been in short supply in recent months. It has mostly taken the form of occasional street battles between gangs supporting one or other of the factions, and some minor shooting incidents.

In areas where membership of either wing of the movement is virtually obligatory for young men, the Officials have recently been gaining in strength.

This is because they are not at war with the British Army and as a result their volunteers are not in danger of being sent out on active missions and of being speedily picked up and detained as are those who join the Provisionals.

The Provisionals certainly believe that their rivals have been trying to replace them in some areas, and there have been suspicions that some of the confidential information which the Army has received, enabling it to pick up Provos, has come from the Officials.

A more political approach in Northern Ireland is favoured by the Officials, and they have been trying to discipline wilder elements in the Provisional movement in the belief that the Catholic population is being oppressed rather than protected by them.

The tension may have surfaced now as a result of the return of Bryson to the Ballymurphy area.

One of the toughest men in the Provisionals—he has twice escaped from custody — he appears to have been sent back to Belfast from Dublin to help reorganise the movement in the city following the demoralising arrest of Gerry Adams, the Belfast brigade commander, in July.

The week-end meeting is believed to have been held in the Lower Falls area, and to have been attended by three delegates from each wing.

Morale in the movement as a whole is likely to have been shaken again by the arrest in the Irish Republic on Saturday of Seamus Twomey, former Belfast commander of the Provos, and a senior member of their army council.

Twomey is thought to be a leading spokesman for a military approach and to reject any switch to political action.

Hardliner

It is widely thought that he may be behind the present wave of bombings in Britain, and it may be the Irish police have moved in at this stage because of the growing evidence of Provisional involvement in these attacks.

His removal from the scene could have the effect, however, of boosting the position of another hardliner, Sean MacStiofain, who has been on the fringes of the leadership since coming out of prison earlier this year, but who is thought to be anxious to influence events once again.

Liberals choose Des Wilson for Hove

By Richard Evans, Lobby Correspondent

THE LIBERALS last night showed their determination to capture the Conservative stronghold of Hove by selecting Mr. Des Wilson as their candidate in the coming Parliamentary by-election.

Mr. Wilson, the former director of Shelter, the campaign for the homeless, has only been a party member since May, but he has a reputation as an energetic campaigner and is a firm believer in the new Liberal brand of community politics.

Following their dramatic successes at Ripon and Ely, the Liberals are confident of winning the November by-election at Berwick-on-Tweed. But a victory at Hove, one of the safest Tory seats in the country with a majority of 18,648 at the last election, would be the most damaging blow so far to the Government.

It would back up the evidence of Sutton and Cheam and Ripon that no Conservative seat in the country is safe from the Liberals, and would give the party's revival a dramatic impetus. A by-election is unlikely for several weeks or even months, however, as the former member, Mr. Martin Maddan, died only last month.

The Liberal campaign will be organised by Mr. Trevor Jones, the national president, who has master-minded many of the recent by-election victories. He forecast last night that "Hove could be even more sensational than Sutton and Cheam."

Mr. Wilson, 32, was picked from a short list of three.

To the relief of party leaders, the young Liberals' meeting at Newcastle yesterday decided against backing Peter Hain's proposal to sabotage Continental juggernaut lorries. Party leaders saw the campaign as a distinct electoral handicap.

Sussex police yesterday gave a warning that Young Liberals who tampered with the engines of juggernauts and other heavy vehicles to keep them off the road faced police prosecution.

Labour leaders face revolt

BY RICHARD EVANS, LOBBY CORRESPONDENT

ANY HOPES that Mr. Harold Wilson had of avoiding a confrontation over party policy with Left-wing militants at the Labour Conference at Blackpool next month are dashed by the revised agenda published yesterday.

The amendments submitted since the preliminary agenda was published in July emphasise the determination of the rank-and-file to press for more militant policies on public ownership and for more control to be exercised over party policy by the annual conference.

In particular, the amendments give little indication of support for Mr. Wilson and "shadow" Cabinet moderates who are opposed to the National Executive's specific commitment to nationalise 25 leading companies. It will be difficult for the leadership to persuade the conference to accept a bromide formula on public ownership.

Nationalisation and a return to the "Clause Four" policy opposed by Hugh Gaitskell account for nearly 100 resolutions and amendments—by far the largest number for a single issue. Many resolutions welcome the NEC commitment; others press for nationalisation of many more companies.

Amendment

There are a number of sharply-worded amendments on the role of Mr. Wilson and the Parliamentary Labour Party in decision-making within the party. Half a dozen demand that the PLP should be bound by conference decisions, both in opposition and Government.

Mr. Wilson's own position is threatened by an amendment from Sheffield Brightside which calls for an annual national ballot of members to elect the party leader. An amendment from Caerphilly proposes that any Labour MP who refuses to be bound by conference decisions should be refused endorsement as a candidate at the General Election.

An amendment from Harwich deplores the action of some leading members of the national executive and the "shadow" Cabinet in engaging in public controversy over Labour's manifesto.

Many of the hostile resolutions and amendments will be dropped during the process of "compositing" conference motions, but the general tone of dissatisfaction with the leaderhip is bound to be heard frequently during the conference despite efforts to maintain unity in the run-up to the election.

The party leaderhip is also likely to have a difficult time maintaining the official policy on EEC membership. Several new amendments call for a commitment from a future Labour Government to withdraw from the Common Market "regardless of any new terms."

A key amendment from Brighton (Kemp Town) insists the TUC should refuse to continue talks with the Government on Phase Three of the anti-inflation policy, but the party attitude on that will depend largely on the outcome of the debate at this week's TUC.

In the elections for the National Executive, among those from the Left fighting for a place will be Mr. Eric Heffer, Mr. Stanley Orme and Mr. John Mendelson, and from the Right, Mr. Anthony Crosland and Mr. Merlyn Rees.

All the constituency section members are standing for re-election, but in the trade union section there are vacancies caused by the retirement of Mr. Andy Cunningham, Mr. Joe Gormley and Mr. Jim Diamond.

Agnew's fate still undecided

BY ADRIAN DICKS

WASHINGTON, Sept. 2

SPECULATION IS running high here this week-end that the coming week will see dramatic developments in the Federal investigation of Vice-President Agnew's affairs, following his two-hour conversation with President Nixon in the Oval office yesterday morning.

The White House, after announcing on Friday that Mr. Nixon was flying back from California to talk to Mr. Agnew for the first time in over three weeks, has refused to say anything about what they discussed beyond that the Vice-President "wanted to bring the President up to date on the investigation."

Confidence

Mr. Gerald Warren, presidential spokesman, did say there had been no mention either of the possibility of Mr. Agnew's resignation or of the constitutional issue of whether he could be indicted and, if necessary, tried while still in office.

The President's confidence in Mr. Agnew remained as strong as when he gave his Press conference on August 22, Mr. Warren also said.

According to persistent reports here, which Mr. Agnew's strong protestations of innocence have not managed to dispel, the question of an indictment, and all its consequences, may now come up.

The investigation into alleged bribery and "kick backs" from the building industry during his terms as Baltimore County Executive and Governor of Maryland is now believed to have reached the point where Mr. Elliot Richardson, the Attorney-General, must decide whether to bring the evidence before a Baltimore grand jury.

Mr. Richardson and the Justice Department refused to say whether such a decision had been taken, but it is known that they have been keeping President Nixon closely informed on the progress of their inquiries. The grand jury is in any case expected to begin its deliberations behind closed doors this week.

Should the weight of legal opinion come down in favour of the view that the Vice-President need not be impeached in order to be indicted for a straightforward criminal matter, an important prop would be knocked from under Mr. Nixon's claim to be in effect above the law in the question of the controversial Watergate tape recordings.

In a more directly political sense, too, Mr. Agnew's fate is crucial to Mr. Nixon's future in the remaining 3½ years of his term.

Should Mr. Agnew have to be replaced as Vice-President, though, Mr. Nixon would be under strong pressure to name a successor acceptable to a very broad range of opinion, and above all untainted by scandal.

One man who meets these criteria is Mr. Richardson, and inevitably, his decision in the case of Mr. Agnew is being interpreted here as crucial to his own political future.

Meanwhile, a Gallup Poll published to-day shows a slight increase, from 31 to 38 per cent., in the number of people who believe President Nixon is handling his job well although no fewer than 54 per cent. continue to think he is doing badly.

Much more significant, however, is that the poll also shows a broadly similar number, 57 per cent., do not accept Mr. Nixon's argument that the Senate Watergate committee is "out to get him," and believe that hearings have been a good thing for the people.

Mr. George Meany, president of the American Federation of Labour-Congress of Industrial Organisations (the U.S. equivalent of the TUC), in a Labour Day Message described Mr. Nixon as "likely to go down in history as one of our worst Presidents."

Continued from Page 1

TUC at Blackpool

on policy differences, especially between the transport workers and the engineering workers, whose president is Mr. Hugh Scanlon.

This has been achieved to on policy differences especially between the transport workers some extent with the transport workers backing the engineering workers in a call for a total boycott of the National Industrial Relations Court.

It seems most unlikely that this call will be approved by Congress which would mean that the transport workers would be free to continue with its present policy of defending itself at the court.

Opposition to the talks with the Government has also been removed from the engineering workers' main resolution.

This opposition now centres on a hard-line motion from that union's white collar section and from the television technicians.

Mr. Scanlon commented on these manoeuvrings at a meeting here to-night. He said that the media had ben in "high spirits" when differences emerged in the TUC agenda between the engineering workers and the transport workers. "Some accommodation," had, however, been reached, Mr. Scanlon declared.

Aside from these developments, speculation is building-up about how the Government will formulate its Phase Three wage criteria. Reports that an "8T4" formula has been put by the Downing Street "think tank" to Ministers have been circulating this week-end.

The "8T4" formula is assumed to mean a basic pay increase of 8 per cent., plus threshold rises, plus an allowance of 4 per cent. for productivity rises and for dealing with anomalies such as the civil servants.

This calculation is believed to have been prepared by the "think tank" earlier this year as a purely theoretical exercise which would in any case produce a rate of inflation far in excess of what the Government is hoping to see.

Monetary reform draft likely

BY RUPERT CORNWELL

PARIS, Sept. 2.

A DRAFT set of proposals for the reform of the international monetary system is expected to emerge from the three days of discussions of the Committee of Twenty deputies which start here on Wednesday.

On the basis of these proposals, which are likely to be less than complete, the C-20 Ministers hope to publish an outline of the principles for monetary reform when they gather in Nairobi later this month for the IMF annual meeting.

International monetary circles here emphasise that this week's talks will be mainly concerned with giving a clearer definition to points already agreed and narrowing differences on the items that are still unsettled.

A certain number of points have already been agreed. It is accepted that Special Drawing Rights will be the yardstick of the new system, and a compromise seems on the cards over two other related items of reform, convertibility and the balance of payments adjustment process.

The U.S. now seems ready to drop its insistence on automatic parity changes, geared to movements in reserves or other economic indicators, in return for new rules that impose sanctions against chronic creditor, as well as debtor, nations.

The French have proposed that surplus countries should be denied convertibility rights for the excess currency they pile up, and the promise of prompter exchange rate adjustment that this would offer has enabled the U.S. to go some way towards the European nations' demand for convertibility through a strengthened IMF.

A recent U.S. Treasury position paper has also suggested greater power for the Fund, and the guarantee that its rules would be respected more than in the past obviously could induce Washington to ease its conditions for a return to convertibility. In each case, the more conciliatory line of the French, so long the most aggressive critics of the U.S., has been crucial.

Compromise

There are still a wide variety of issues outstanding that may well not be cleared up this week, notably the future make up of the SDR and the vexed question of the place of gold in the future.

There appears to be a shift in opinion in favour of linking the SDR to a wide mix of leading currencies, as a compromise between those who wanted it linked only to the strong ones, and those, anticipating their likely role as debtors, who would prefer it linked to the weaker currencies and carrying a high interest rate.

It is now widely expected that the question of gold will be quietly settled by the abolition of the two-tier 1968 market, allowing central banks to buy and sell it as they wished at the free market price.

Other points that remain undecided are the nature of future central bank intervention and the question of whether SDRs will ultimately become the sole reserve asset of the future, or whether dollars, or gold, will be permitted to enter the system.

The list of uncertainties is so long that monetary experts here doubt whether the new system will be ready for adoption much before the 1974 IMF annual meeting next autumn. Sections of the new code might be brought into force before, but the exact admendments to the Fund's articles will probably not be ready until then.

Dr. Diederichs criticises U.S. attitude on gold, Page 4

Weather

U.K. TO-DAY

RAIN OR showers with spells in S.E. and N… and N. Wales.

London, E. Anglia, … Central S. E… Cloudy, some brigh… Wind S.W., moderate. Max. 22C (72F).

Midlands, E. S.W. … N. Eng. Channel Is. … Coludy, rain or dri… fog. Wind S.W., mo… fresh. Max. 18C (64F).

N. Wales, N.W. and … Lakes, I. of M… Rain or drizzle, … brighter. Wind S.W., … or fresh. Max. 17C (…

Borders, Edinburgh, … Scot., Aberdeen, Glasg… Firth, S.W. Scot., Cent… Argyll, N. Irela… Sunny, scattered show… S.W., moderate or fre… 15C (59F).

Caithness, N.W. … Showers, some brigh… Wind W., moderate … Max. 13C (55F).

Orkney, Shetla… Showers, bright … Winds S.W., fresh or st… 12C (54F).

Outlook: Mainly … showers or outbreaks…

Lighting-up: Londo… Manchester 20.25, Glas… Belfast 20.42.

BUSINESS CENT…

		Y'day Mid-day °C	°F	
Amstrdm.	C	18	64	London
Athens	S	28	79	Luxmbg
Beirut	C	28	82	Madrid
Belfast	C	15	59	Manchstr
Belgrade	S	22	72	Milan
Berlin	C	18	64	Moscow
Birmghm.	C	17	63	Munich
Bristol	F	17	63	Newcastl
Brussels	C	20	68	Oslo
Budapest	S	24	75	Paris
Cardiff	S	18	64	Prague
Cologne	C	21	70	Reykjav
Copnhagn.	S	18	64	Rome
Dublin	R	14	57	Stockhol
Edinb'rgh	C	14	57	Strasbg
Frankfurt	F	24	75	Tel Aviv
Geneva	S	22	72	Vienna
Glasgow	C	14	57	Warsaw
Helsinki	R	10	50	Zurich
Lisbon	S	29	84	

HOLIDAY RESO…

		Y'day Mid-day °C	°F	
Ajaccio	S	26	79	Istanbul
Algiers	S	26	79	Jersey
Barcelona	S	27	81	Las Plms
Biarritz	S	26	79	Locarno
Blackpool	C	16	61	Majorca
Bordeaux	S	27	81	Malaga
Boulogne	R	16	61	Malta
Casablnca.	S	25	77	Naples
Corfu	C	26	79	Nice
Dubrovnik	S	26	79	Nicosia
Faro	S	26	79	Oporto
Florence	S	29	84	Rhodes
Funchal	S	24	75	Salzburg
Gibraltar	S	25	77	Tangier
Guernsey	C	17	63	Tenerife
Innsbruck	S	22	72	Tunis
Inverness	C	13	55	Valencia
I. of Man	C	15	59	Venice

S—Sunny. F—Fair. C—Cloudy …

NCL TO SPEND £1M. ON VANS

National Carriers is … £1m. on new vehicles. A… 400 rigid vans, mostly … tons unladen, has been … The majority will repl… expired articulated vehi… trailers.

The chassis-cabs are … Bedford KCs, Chrysler a… land Terriers, supplemen… smaller number of Fords.

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